



ADMINISTRATIVE REPORT

Report Date: January 11, 2016
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Meeting Date: January 20, 2016

TO: Standing Committee on Policy and Strategic Priorities

FROM: Acting General Manager of Community Services

SUBJECT: 8188 Lord Street and 401 SW Marine Drive Childcare Centres -
Appointment of Operator, Lease of City-owned Property, and Approval of
Grants

RECOMMENDATION

- A. THAT Council appoints the Young Men's Christian Association of Greater Vancouver (YMCA) as the non-profit operator of the licensed group childcare centres to be located at 8188 Lord Street and 401 SW Marine Drive, subject to the City becoming the owner of the childcare facilities.
- B. THAT Council authorizes the Director of Real Estate to negotiate and, upon the City obtaining ownership of the childcare facilities, to execute leases with the YMCA, as the tenant and childcare operator, of the future City-owned childcare facilities to be built upon properties situated at:
 - a) 8188 Lord Street - legally known as PID: 029-348-919 Lot 1 District Lot 311 Group 1 New Westminster District Plan EPP40711, and
 - b) 401 SW Marine Drive, PID Number 029-606-993, Legal Description: Lot A District Lots 311 and 323 Group 1 New Westminster District Plan EPP51076

for a lease term of five (5) years, with two (2) further options to renew each for a term of five (5) years, and at nominal rent of Ten Dollars (\$10) per term, inclusive of rent in lieu of property taxes, plus applicable sales taxes, and upon the terms and conditions as set out in the basic lease terms attached as Appendix A, and upon such other terms and conditions to the satisfaction of the General Manager of Real Estate and Facilities Management, the Acting General Manager of Community Services and the Director of Legal Services.

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- C. THAT Council approves the allocation of \$500,000 from the Marpole Community Amenity Contribution Reserve (445 SW Marine Drive rezoning) to the Facility Capital Maintenance Reserve for major capital maintenance of the childcare centre at 401 SW Marine Drive.
 - D. THAT Council approves the allocation of \$500,000 from the Marpole Community Amenity Contribution Reserve (445 SW Marine Drive rezoning) to the Childcare Reserve, for annual infant/toddler grants for the childcare centre at 401 SW Marine Drive.
 - E. THAT Council approves the allocation of \$174,000 from the Marpole Community Amenity Contribution Reserve (445 SW Marine Drive rezoning) to the Childcare Reserve, for start-up costs for the childcare centre at 401 SW Marine Drive.
 - F. THAT, upon approval of Recommendations D and E, Council approves two one-time grants to the YMCA of up to \$92,500 for 8188 Lord Street, and up to \$100,000 for 401 SW Cambie, to fit, furnish, equip and supply the two childcare centres. The source of funds is the Childcare Reserve.
 - G. THAT subject to approval of Recommendation E, Council approves a one-time grant of up to \$148,000 to the YMCA for start-up operating costs for the childcare centres at 8188 Lord Street and 401 SW Cambie Street (\$74,000 each), subject to entering into the Lease. The source of funds is the Childcare Reserve.
 - H. THAT no legal rights or obligations be created or arise by Council's adoption of these Recommendations until the Lease has been signed by the City and the YMCA.

Recommendations B, F and G constitute grants and require eight affirmative votes for approval.

REPORT SUMMARY

This report recommends the YMCA be appointed as the operator for:

- a) the new purpose built licensed 37-space childcare facility to be built and located at 8188 Lord Street ("Cambie West"), and
- b) the new purpose built licensed 37-space childcare facility to be built and located at 401 SW Marine Drive ("Marine Gardens").

In addition, this report seeks Council authority to enter into a nominal lease for each childcare facility on terms discussed in the body of the report.

Finally, this report also seeks Council authority to allocate \$1,174,000 in cash CACs to cover start-up, operating and maintenance costs for the childcare facility at 401

SW Marine Drive, and seeks approval of grants up to \$340,500 to assist the recommended operator with the opening costs of the new childcare facilities.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

On January 21, 2014 Council approved the CD-1 Rezoning for 8199 Cambie Street, which included a fully fit, finished, furnished and equipped 37-space childcare facility and an additional 418 m² family place, with these facilities to be secured through a legal agreement.

On December 16, 2014, Council passed a motion to renew its commitment to childcare, along with a target to facilitate the creation of 1000 new childcare spaces over the next four years.

On February 24, 2015, Council approved the CD-1 Rezoning for 445 SW Marine Drive, which included a fully fit, finished, furnished and equipped 37-space childcare facility to be secured through a legal agreement.

Recommendations B, F and G constitute grants and require eight affirmative votes of Council.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The Acting General Manager of Community Services RECOMMENDS approval of the foregoing.

REPORT

Background/Context

The Cambie West childcare will provide an additional 37 new childcare spaces, while the Marine Gardens childcares will replace 25 existing childcare spaces and add an additional 12 new spaces, for a total increase of 49 new childcare spaces. These spaces are included in the Targets and Progress Table below as 'Committed Spaces', as they are currently under development. With these additional 49 committed spaces, the City will have achieved 58% of Council's four-year target to facilitate the creation of 1000 new childcare spaces by 2018.

Table 1: City of Vancouver Child Care Targets and Progress against Targets

Council Target: New Spaces Between 2015-2018	Built Spaces	Committed Spaces	Total Built and Committed
1000	188	389	577

The Cambie West Childcare (8188 Lord Street)

- (a) The Cambie West Childcare Centre is to be located on the second and third floors of a purpose-built 3-storey building, and it will be purpose-built to accommodate a program for ages as follows:
 - (i) 12 spaces for Infants and/or Toddlers; and
 - (ii) 25 spaces for children age three to five.

- (b) The Childcare Centre is currently under construction and is expected to be completed between January and April of 2018 and will include the following amenities:
 - (i) approximately 545 m2 (5,865 sq. ft.) of dedicated indoor space;
 - (ii) approximately 393 m2 (4,225 sq. ft.) of adjacent dedicated outdoor space;
 - (iii) seven (7) dedicated parking stalls, including two (2) staff parking and five (5) parent drop-off spaces, located in the underground parkade; and

- (c) In addition to the in-kind contribution of the childcare facility valued at \$3,840,000, the owner of 8199 Cambie Street contributed a total of \$2.0M in cash for childcare and community amenities to be located at 8188 Lord Street, including \$1,266,500 for the childcare facility to cover annual infant/toddler grants, capital maintenance costs, furniture, equipment and supplies and start-up costs; and \$733,500 for the family place to cover capital maintenance costs and furniture equipment and supplies. See table 2 below.

The City anticipates opening of the Cambie West Childcare Centre in 2018.

Table 2: Cash Contribution for Childcare and Community Amenities at 8188 Lord Street

	Childcare Facility	Family Place	Total contribution
Facility Reserve: Capital Maintenance	\$550,000	\$550,000	
Annual Infant/Toddler Grants	\$550,000	n/a	
Furniture, equipment and supplies	\$92,500	\$183,500	
Start-up costs	\$74,000	n/a	
Subtotal	\$1,266,500	\$733,500	\$2,000,000

The Marine Gardens Childcare (401 SW Marine Drive)

- (a) The Marine Gardens Childcare Centre will be located on the ground floor of a seven-storey market rental residential building, and will be purpose-built to accommodate a child care program for ages as follows:
 - (i) 12 spaces for Infants and/or Toddlers; and
 - (ii) 25 spaces for children age three to five.

- (b) The Childcare Centre is currently in the design phase and is expected to be completed towards the end of 2017, and will include the following amenities:
- (i) approximately 427 m² (4600 sq. ft.) of gross indoor space;
 - (ii) approximately 455 m² (4900 sq. ft.) of adjacent gross outdoor space;
 - (iii) seven (7) dedicated parking stalls, including two (2) staff parking and five (5) parent drop-off spaces, located in the underground parkade.
- (c) As per the Cambie Corridor Plan’s Interim Public Benefits strategy, the developer was required to replace the existing 25 spaces of childcare on-site. The contribution of the additional 12 spaces and the proposed change in ownership of the 25 replacement spaces to the City is valued at \$2,939,400. In addition to the in-kind contribution of the childcare facility, the owner has provided a \$174,000 cash CAC contribution to furnishings and equipment and start-up costs and a \$1,000,000 cash contribution towards childcare and/or community facilities to be located on or near the Cambie Corridor. Staff are recommending that these funds be allocated towards the facility maintenance costs and infant/toddler subsidy for the on-site childcare. See table 3 below.

Table 3: Cash Contribution for Childcare and Community Amenities at 401 SW Marine Drive

	Childcare Facility	Other	Total contribution
One-time grant: Furniture, equipment, supplies and start up	\$174,000		
Contribution towards childcare or community facilities on or near Cambie Corridor		\$1,000,000	
Subtotal	\$174,000	\$1,000,000	\$1,174,000

An RFP was issued on August 20, 2015, and was advertised on the City’s website and BC Bid. Nine non-profit organizations that operate in the area were also notified, with three potential proponents attending the information meeting. One proposal was received from the YMCA of Greater Vancouver.

Strategic Analysis

Childcare provides a significant social and economic benefit to the city by providing a sound basis for early childhood development and labour force participation. Childcare also plays an important role in reducing child vulnerability and ensuring school readiness for children. School readiness supports children to thrive in education, health and wellbeing later in life.

Childcare Operator Selection for the Cambie West and Marine Gardens childcares

Through the evaluation review process, it was determined that the YMCA’s submission met the RFP requirements and was aligned with the City’s Healthy City Strategy “Good

Start” goal. This goal sets out to provide Vancouver’s children with “the best chance of enjoying a healthy childhood.”

The YMCA has been operating programs in the Vancouver community for more than 125 years. The YMCA is a registered, non-profit agency with 35 years of experience operating licensed childcare facilities in a variety of settings, neighbourhoods and communities, to a diverse clientele. The YMCA of Greater Vancouver currently operates 69 childcare programs in 50 locations, serving over 1,700 children each day. The entire organization had an operating budget of just over \$36.6 million (2014). In addition, the General Manager of Early Learning and Family Development has 37 years of experience in the delivery and support of licensed childcare services.

Leases

Staff propose that the City and the YMCA enter into the City’s standard non-profit childcare lease for each childcare facility, being a term of 5 years with two further 5 year renewal options for a total term of 15 years, at nominal rent of \$10 per term. The City’s standard childcare lease requires that the childcare facility program meet Provincial Community Care Facilities Licensing regulations, and operate at maximum capacity on a full time basis.

The operator will be responsible for all expenses related to utilities, communications (including internet, cable, and phone), security systems for the childcares, minor maintenance, janitorial, liability and contents insurance, and program operating and service delivery costs.

The City retains responsibility for the base building systems maintenance, major capital maintenance and upgrades, building envelope and all structural elements for the childcare facility. The responsibilities of the parties regarding the maintenance repair and replacement for the facility, as well as the proportionate share of the development-wide common costs, will be further detailed in a Service Level Agreement which will be attached as a schedule to and form part of the Lease. The basic lease terms are attached as Appendix A.

The Leases will include provisions to ensure that priority enrolment is given to families residing or working in Vancouver, parent fees are maintained at or below the citywide average, and parent involvement is encouraged in decision making processes. It also ensures that financial accountability is adhered to through an annual reconciliation process outlined in the agreement based on year-end actuals.

Implications/Related Issues/Risk (if applicable)

Financial

In addition to the developer in-kind contributions of two 37 space fully-fit, furnished and equipped childcare centres, the developers also contributed cash CACs to help cover start-up, programming and capital maintenance costs for each facility.

The \$550,000 in funds designated for the capital facility maintenance of the Cambie West childcare centre has been transferred from the Cambie CAC account to the Facility Capital Maintenance Reserve account, while the remaining \$550,000 for infant/toddler subsidy, and \$174,000 to cover one-time grants for fit, furnish, equipment and start-up costs has been transferred from the Cambie CAC account to the Childcare Reserve Fund.

Currently the \$174,000 collected for start-up costs for the Marine Gardens childcare centre, and the \$1.0 M collected for childcare and/or community facilities in or near the Cambie Corridor are being held in the Marpole CAC account. \$174,000 has been designated in the Childcare Agreement to cover one-time grants for fit, furnish, equip and start-up costs for the on-site childcare. Staff are seeking Council approval to transfer these funds from the Marpole CAC account into the Childcare Reserve for this purpose.

Staff are seeking approval from Council to designate the \$1.0M collected in cash from this development (for childcare and/or community facilities in or near the Cambie Corridor) to cover facility maintenance costs and annual infant/toddler subsidy for the on-site childcare centre. Upon Council approval for this allocation, \$500,000 will be transferred from the Marpole CAC Fund to the Facility Capital Maintenance Reserve and \$500,000 will be transferred from the Marpole CAC Fund to the Childcare Reserve Fund.

Facility Maintenance

Facility maintenance costs for City-owned facilities are expected to be \$6 per square foot per year, (approximately \$35,000 per year for Cambie West, and \$27,600 for Marine Gardens, for a total maintenance budget of \$62,600). The source of funds will be the Facility Capital Maintenance Reserve and will be brought forward as part of the annual budgeting processes as required.

Developers' contributions have been received to help cover facility maintenance costs. For Cambie West, the developer has provided \$1.1M for maintenance costs for the childcare facility and the family place (\$550,000 each). For Marine Gardens, the owner provided \$1.0M towards childcare and/or community facilities to be located on or near the Cambie Corridor. Staff are recommending that \$500,000 of this be allocated to maintenance of the on-site childcare facility.

One-time grants

The following grants are recommended for the two childcares, based on and subject to demonstrated need:

One Time Grants	8188 Lord Street	401 SW Marine	Funding
Fit, Furnish, Equip and Supply	Up to \$92,500	Up to \$100,000	Developer Contribution
Start-up funds \$2,000/space - 37 spaces	\$74,000	\$74,000	Developer Contribution
Total	\$166,500	\$174,000	

Annual Infant/Toddler Subsidy

Commencing in the year the childcare opens, and annually thereafter, the YMCA will be eligible to apply for an annual grant of up to \$39,600 for the infant and toddler programs at the two sites (\$1,650 x 24 spaces) to help offset the high cost of infant and toddler fees. The source of funds will be the Childcare Reserve and will be brought forward through the annual budgeting processes.

Legal

Cambie West

The childcare and family place are being co-located in an air-space parcel on the northwest corner of the site, and the City holds a registered Option to Purchase this air space parcel. Once the childcare and family place is complete to the City's satisfaction, the City will exercise its Option to Purchase and the airspace parcel will be conveyed to the City at a nominal cost of \$1.00. Completion of construction is estimated for 2017.

Marine Gardens

The childcare will be located in an air-space parcel on the ground floor of a 7-storey market rental housing building on the northwest corner of the site, and the City holds a registered Option to Purchase this air space parcel. Once the childcare facility is complete to the City's satisfaction, the City will exercise its Option to Purchase and the airspace parcel will be conveyed to the City at a nominal cost of \$1.00. Completion of construction is estimated for 2018.

No legal rights or obligations will be created or arise by Council's adoption of these Recommendations until the Lease has been signed by the City and the YMCA.

CONCLUSION

Staff recommend that Council appoint the YMCA as the operator of the childcares to be located at 8188 Lord Street and 401 SW Marine Drive, and authorize entering into nominal lease agreements with the YMCA upon the City obtaining ownership of the air space parcels containing the childcare facilities and family place.

In addition, Staff recommend that Council authorize one-time grants of up to \$92,500 for Cambie West and up to \$100,000 for Marine Gardens to the YMCA to fit, furnish, equip and supply the two childcare centres, and two start-up grants of up to \$74,000 for each centre subject to the YMCA entering into Leases with the City for these childcare facilities.

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BASIC LEASE TERMS FOR THE CHILDCARE FACILITY
AT
_____ (The "Premises")
BETWEEN
THE CITY OF VANCOUVER (The "Landlord")
AND
YMCA OF GREATER VANCOUVER (The "Tenant")

Lease Term and Renewal Options

Five (5) years, with two (2) further options to renew each for a term of five (5) years.

Rent

Nominal rent of Ten Dollars (\$10) per term, inclusive of rent in lieu of property taxes, plus applicable sales taxes.

Utility Charges

All Utility charges, including any municipal utility charges, serving the premises are payable by the Tenant.

The Tenant will be responsible for any and all costs and obligations associated with metered utilities directly serving the Premises.

Operating Costs, Repairs and Maintenance

All costs, obligations and expenses related to the operation, regular repairs and routine maintenance, and any required preventative maintenance of the Premises, including the play area and its equipment, will be the responsibility of the Tenant.

Capital/Life Cycle Replacement Costs

The responsibility for all capital costs associated with the mechanical, electrical and plumbing systems and other capital costs including those associated with the building envelope, including the roof membrane, wall membrane, exterior painting, and any structural components of the building such as foundation and slab will be as set out in a Service Level Agreement to be attached to and forming part of the Lease and otherwise as specifically provided for in the Lease, all on terms and conditions satisfactory to the City. Capital costs associated with the play yard and its equipment, as well as security systems serving the Premises are the responsibility of the Tenant.

Insurance

The Tenant is responsible at all times for maintaining commercial general liability insurance and all risk (broad form) tenants' legal liability insurance, as well as insuring for equipment, trade fixtures, furniture and all other contents, in the amounts and types of insurance to the satisfaction of the Landlord. The Landlord will be named as additional insured on each and every policy.

Use

The Premises are to be used for the delivery of licensed childcare programs on a full time basis. The Premises may also be used for support activities including but not limited to office,

early care and learning programs for children from newborn to twelve (12) years of age, parenting and family development programs, and similar support activities on the condition that such does not interfere with the childcare services requirements.

Public Service Objectives

The Tenant will use the Premises for the provision of licensed childcare services and in a manner that benefits the citizens of Vancouver. The Tenant will be required to articulate and follow a set of *public service objectives* including minimum hours of operation; type and range of services; and its commitment to quality and accessibility in its programs and procedures.

Third Party Use

Other than in accordance with the "Third party Occasional Use" provisions provided for in the Lease as noted above, the Lease will include a clause that restricts the Tenant's right to assign, sublet, grant a mortgage or license to another party, without advance written permission by the City.

Naming Rights

The Lease will require the Tenant to follow the City's *Naming Rights Policy*, including potential restrictions on the right to name the Premises, (including any portion of the Premises).

Termination and Early Termination

Upon demolition or destruction of the Premise, expiration of the term, expiration of any option renewal terms or failure to fulfill other material terms of the lease, the lease will terminate. Either party may terminate the lease upon ninety (90) days written notice.

Additional Lease Terms

All of the foregoing Lease terms and all additional terms and conditions shall be as required by and be to the satisfaction of the Director of Legal Services and the Director of Real Estate Services in consultation with the Managing Director of Social Development.

SERVICE LEVEL AGREEMENT
CHILDCARE MEDIUM SUPPORT MODEL
MARINE GARDENS
445 SW MARINE

For purposes of this Schedule D, the parties are identified as follows:

Housing ASP Owner and/or Strata Corporation	Other ASP
City of Vancouver	CoV
NPO Operator	NPO

Generally, the Society will not be responsible for the cost of maintenance of the base building systems within or dedicated solely to the Premises.

The Society will be responsible for maintenance, repairs and operational costs of the childcare facility and ancillary rooms and areas within the Premises, including janitorial, utilities, pest control, and security services, and for the allocated portion of the common area costs associated with general maintenance of common areas throughout the Building, (as applicable).

<u>Item</u>	<u>Description</u>	<u>Party to Perform</u>	<u>Party to Pay</u>
1.	Heating, Ventilation and Air Conditioning exclusive to or within the Premises (excluding common equipment/systems)		
a.	- annual inspection	CoV	CoV
b.	- routine maintenance and repair	CoV	CoV
c.	- provision & replacement of filter material	CoV	CoV
d.	- cleaning of ducts	CoV	CoV
e.	- life cycle replacement (Capital Maintenance)	CoV	CoV
2.	Common Heating, Ventilation and Air Conditioning (systems serving more than the Premises)		
a.	- annual inspection, maintenance and repair	CoV/Other ASP	CoV/Other ASP
b.	- life cycle replacement	CoV/Other ASP	CoV/Other ASP

<u>Item</u>	<u>Description</u>	<u>Party to Perform</u>	<u>Party to Pay</u>
3.	Plumbing Systems exclusive to or within the Premises (excluding common systems/equipment)		
a.	- preventive maintenance and repairs to hot water heating systems and domestic cold water systems	CoV	CoV
b.	- major repairs and replacement of hot water heating systems and domestic cold water systems	CoV	CoV
c.	- repairs to all fixtures including faucets, unplugging toilets and all other routine repairs	NPO	NPO
d.	- life cycle replacement of hot water systems, fixtures, (including all sinks and toilets) and piping	CoV	CoV
e.	- repair, maintenance and life cycle replacement of exterior drainage and rain water leader	CoV/Other ASP	CoV/Other ASP
4.	Common Plumbing Systems (systems serving more than the Premises)		
a.	- annual inspection, maintenance and repair	CoV/Other ASP	CoV/Other ASP
b.	- life cycle replacement	CoV/Other ASP	CoV/Other ASP
5.	Mechanical Systems exclusive to or within the Premises (including dedicated elevators)		
a.	- preventive maintenance and repairs	CoV	CoV
b.	- life cycle replacement	CoV	CoV
c.	- installation, maintenance and replacement of additional equipment provided and installed by the Society	NPO	NPO
6.	Common Mechanical Systems (systems serving more than the Premises)		
a.	- annual inspection, maintenance and repair	CoV/Other ASP	CoV/Other ASP
b.	- life cycle replacement	CoV/Other ASP	CoV/Other ASP

<u>Item</u>	<u>Description</u>	<u>Party to Perform</u>	<u>Party to Pay</u>
7.	Fire Protection & Suppression exclusive to the Premises		
a.	- monthly inspection of fire extinguishers within the Premises	NPO	NPO
b.	- monthly inspection of smoke detectors within the Premises	CoV	CoV
c.	- annual inspection of fire extinguishers and smoke detectors within the Premises	CoV	CoV
d.	- repairs/recharging of fire extinguishers within Premises	CoV	CoV
e.	- life cycle replacement of fire extinguishers and smoke detectors within Premises	CoV	CoV
8.	Common Fire Protection & Suppression (systems serving more than the Premises)		
a.	- annual inspection, maintenance and repairs of the fire alarm system	CoV/Other ASP	CoV/Other ASP
b.	- life cycle replacement of fire alarm system	CoV/Other ASP	CoV/Other ASP
c.	- annual inspection, maintenance and repair of fire sprinkler system	CoV/Other ASP	CoV/Other ASP
d.	- life cycle replacement of fire sprinkler system	CoV/Other ASP	CoV/Other ASP
9.	Security Systems dedicated to or within the Premises (excluding items covered by No. 10, below)		
a.	- system monitoring, inspection, maintenance and repair	NPO	NPO
b.	- life cycle replacement	NPO	NPO
c.	- repair, replacement, re-keying of all locks	NPO	NPO
d.	- provision, and replacement of fobs, keys and other similar access devices for secure areas within the Premises	NPO	NPO

<u>Item</u>	<u>Description</u>	<u>Party to Perform</u>	<u>Party to Pay</u>
10.	Common Security Systems (systems serving more than the Premises)		
a.	- system monitoring, inspection, maintenance and repair	CoV/Other ASP	CoV/Other ASP
b.	- life cycle replacement	CoV/Other ASP	CoV/Other ASP
11.	Electrical Distribution Systems exclusive to or within the Premises (excluding common systems/equipment)		
a.	- repairs and upgrades required by Code	CoV	CoV
b.	- inspection, maintenance and repair of wiring, breakers and electrical panels	CoV	CoV
c.	- life cycle replacement of wiring, breakers and panels	CoV	CoV
d.	- repair or replacement of switches, receptacles, cover plates	NPO	NPO
12.	Common Electrical Distribution Systems (systems serving more than the Premises)		
a.	- inspection, maintenance and repair of electrical distribution systems to the Premises	CoV/Other ASP	CoV/Other ASP
b.	- life cycle replacement of electrical distribution systems to the Premises	CoV/Other ASP	CoV/Other ASP
13.	Lighting Systems exclusive to or within the Premises		
a.	- bulb/tube replacement for interior and exterior lighting	NPO	NPO
b.	- annual inspection and maintenance of interior emergency/exit lighting	CoV	CoV
c.	- interior and exterior lighting ballast replacement	CoV	CoV
d.	- life cycle replacement of fixtures	CoV	CoV
e.	- cleaning of interior light fixtures	NPO	NPO

<u>Item</u>	<u>Description</u>	<u>Party to Perform</u>	<u>Party to Pay</u>
f.	- provision, maintenance, repair and replacement of portable lighting fixtures	NPO	NPO
14.	Common Lighting Systems (systems serving more than the Premises but excluding the Parking Facility)		
a.	- inspection, maintenance, repair, and cleaning	CoV/Other ASP	CoV/Other ASP
b.	- life cycle replacement	CoV/Other ASP	CoV/Other ASP
15.	Interior Windows within the Premises		
a.	- breakage and replacement of interior windows, caused by the Society, the Society's Personnel or their invitees	NPO	NPO
b.	- routine repairs and cleaning of interior windows	NPO	NPO
c.	- replacement due to normal wear and tear	CoV	CoV
16.	Exterior Windows of the Premises and Play Yard Canopy		
a.	- breakage, routine repairs and replacement of exterior windows or canopy, not caused by the Society, the Society's Personnel or their invitees	CoV/Other ASP	CoV/Other ASP
b.	- breakage, routine repairs and replacement of exterior windows or canopy, caused by the Society, the Society's Personnel or their invitees	CoV/Other ASP	NPO
c.	- cleaning of interior surfaces of exterior windows	NPO	NPO
d.	- cleaning of exterior surfaces of exterior windows and play yard canopy	CoV/Other ASP	CoV/Other ASP
e.	- life cycle replacement of the exterior windows/play yard canopy	Other ASP	Other ASP
17.	Common Area Windows		
a.	- breakage and routine repair	N/A	N/A
b.	- cleaning (of exterior surfaces)	N/A	N/A

<u>Item</u>	<u>Description</u>	<u>Party to Perform</u>	<u>Party to Pay</u>
c.	- cleaning (of interior surfaces)	N/A	N/A
d.	- life cycle replacement	N/A	N/A
18.	Interior and Exterior Doors within the Premises		
a.	- maintenance and repair of interior doors	NPO	NPO
b.	- life cycle replacement of interior doors	CoV	CoV
c.	- maintenance and repair of exterior doors	CoV	CoV
d.	- life cycle replacement of exterior doors	CoV	CoV
19.	Common Area Doors		
a.	- maintenance and repair	Other ASP	NPO Proportionate Share
b.	- life cycle replacement	CoV/Other ASP	CoV/Other ASP
20.	Interior Surfaces within the Premises		
a.	- interior life cycle repainting	CoV	CoV
b.	- maintenance and cleaning of window applications including, but not limited to blinds and curtains	NPO	NPO
c.	- repairs to interior walls and ceilings, including minor painting	NPO	NPO
d.	- life cycle replacement of ceiling tiles	CoV	CoV
e.	- interior repairs due to building system failures such as roof leaks, exterior walls and foundation leaks not caused by the Society, the Society's Personnel or their invitees	CoV	CoV
f.	- maintenance and repairs of floor coverings, including carpet and tile	NPO	NPO
g.	- life cycle replacement of flooring coverings, including carpet and tile	CoV	CoV

<u>Item</u>	<u>Description</u>	<u>Party to Perform</u>	<u>Party to Pay</u>
h.	- maintenance and repair of millwork	NPO	NPO
i.	- life cycle replacement of millwork	CoV	CoV
21.	Common Area Interior Surfaces		
a.	- all maintenance and repairs	Other ASP	NPO Proportionate Share
b.	- all capital maintenance or replacements	CoV/Other ASP	CoV/Other ASP
22.	Major Structural Systems included within the Premises		
a.	- repairs or replacements of foundations, flooring sub-structure, building envelope including bearing walls and roofing	Other ASP	CoV/Other ASP
b.	- repairs and painting of exterior surfaces including windows, trim, fascia and soffits	Other ASP	CoV/Other ASP
23.	Major Structural Systems external to the Premises		
a.	- all repairs and replacements	Other ASP	Other ASP
24.	Site Services within the Premises		
a.	- snow and ice removal from steps, walkways, entrances including the provision of de-icing materials	NPO	NPO
b.	- snow and ice removal from roof areas, canopies and/or awnings (if applicable)	CoV	CoV
c.	- graffiti removal	CoV	CoV
25.	Premises Exterior Site Services		
a.	- landscaping repairs and maintenance	Other ASP	NPO (Proportionate Share)

<u>Item</u>	<u>Description</u>	<u>Party to Perform</u>	<u>Party to Pay</u>
b.	- grass cutting	Other ASP	NPO (Proportionate Share)
c.	- general cleaning of grounds, litter disposal	Other ASP	NPO (Proportionate Share)
d.	- snow and ice removal from steps, walkways, entrances including the provision of de-icing materials	Other ASP/NPO	NPO (Proportionate Share)
e.	- snow and ice removal from entrance to parking areas	Other ASP/NPO	NPO (Proportionate Share)
f.	- snow and ice removal from roof areas, canopies, and/or awnings (if applicable)	CoV/Other ASP	CoV/Other ASP
g.	- repairs of water and sewage systems (beyond the building perimeter), unless deemed to be caused by the Society	Other ASP	Other ASP
h.	- maintenance, repair and replacement of gates and fences (excluding tenant specific gates and fences)	N/A	N/A
i.	- graffiti removal (unless within Parking Facility)	Other ASP	Other ASP
j.	- graffiti removal within the Parking Facility	Other ASP	NPO (Proportionate Share)
26.	Interior Signage within the Premises		
a.	- maintenance, repair and replacement of interior signage	NPO	NPO
27.	Exterior Childcare Signage (within the Premises and/or outside the Premises)		
a.	- maintenance, repair, and replacement (subject to prior approval of the CoV and Dev/Strata)	NPO	NPO

<u>Item</u>	<u>Description</u>	<u>Party to Perform</u>	<u>Party to Pay</u>
28.	Common Signage not related to the Premises		
a.	- maintenance, repair, and replacement (subject to prior approval of the CoV and Dev/Strata)	Other ASP	Other ASP
29.	Play Area and Equipment		
a.	- inspection, maintenance, and repair of playground equipment and structures not including the Green Roof	NPO	NPO
b.	- life cycle replacement of play equipment and structures	NPO	NPO
c.	- maintenance, repair and replacement of general outdoor surfaces, gates and fences (not including perimeter fencing, subject to item 29 (g) and (h))	NPO	NPO
d.	- maintenance, repair, replacement of sand and fibar materials	NPO	NPO
e.	- maintenance of landscaping (plantings)	NPO	NPO
f.	- snow and ice removal	NPO	NPO
g.	- maintenance, repair and replacement of perimeter fencing- when damage is <i>not</i> caused by the Society, the Society's Personnel or their invitees	CoV	CoV
h.	- maintenance, repair and replacement of perimeter fencing- when damage is caused by the Society, the Society's Personnel or their invitees	CoV	NPO
30.	Janitorial Services within the Premises		
a.	- routine janitorial/custodial services	NPO	NPO
b.	- pest control services (interior)	NPO	NPO
c.	- provision of all washroom supplies	NPO	NPO
d.	- garbage and recycling removal services	NPO	NPO

<u>Item</u>	<u>Description</u>	<u>Party to Perform</u>	<u>Party to Pay</u>
31.	Common Area Janitorial Services outside of Parking Facility		
a.	- routine janitorial/custodial services	N/A	N/A
b.	- pest control services (exterior)	Other ASP	NPO Proportionate Share
c.	- provision of all washroom supplies	N/A	N/A
d.	- garbage and recycling removal services	N/A	N/A
32.	Appliances, Program and Other Non-Installed Equipment within the Premises		
a.	- inspection, maintenance and repair of all non-building equipment including stoves, refrigerators, microwaves, coolers, free standing cabinets, track lighting	NPO	NPO
b.	- replacement of all appliances, program and non-installed equipment	NPO	NPO
c.	- maintenance, repair and replacement of furniture	NPO	NPO
33.	Renovations and Upgrades within the Premises		
a.	- any upgrades, additions, enhancements or improvements beyond what was originally provided during construction (subject to prior approval by Dev/Strata and CoV)	NPO	NPO
34.	Utilities		
a.	- electricity used by the Premises	NPO	NPO
b.	- gas used by the Premises	NPO	NPO
c.	- water and sewer used by the Premises	NPO	NPO
d.	- Neighbourhood Energy Utility (NEU) used by the Premises	Other ASP	NPO
e.	- local improvements and municipal utility charges	NPO	NPO

<u>Item</u>	<u>Description</u>	<u>Party to Perform</u>	<u>Party to Pay</u>
35.	Business Operations		
a.	- staff costs	NPO	NPO
b.	- telephone, internet & cable services	NPO	NPO
c.	- insurance (CGL, business interruption, contents, etc.)	NPO	NPO
d.	- supplies and equipment, including for bathroom and kitchen	NPO	NPO
e.	- security services	NPO	NPO
36.	Parking Facility		
a.	- non-structural repair and maintenance	Other ASP	NPO (Proportionate Share)
b.	- utilities	Other ASP	NPO (Proportionate Share)

Life Cycle Replacement

Life cycle replacement is based on fair wear and tear. The need of such replacement is at the City's sole discretion.

Damage

Notwithstanding the foregoing, it is a condition hereof that the City's obligation to maintain, repair, and replace parts of the Premises as indicated above is always subject to the availability of funds currently budgeted by the City for such purposes at the Premises.

**SERVICE LEVEL AGREEMENT
Lord Street Child Care**

For purposes of this document, the parties are identified as follows:

Family Place:	Other NPO
Childcare Operator:	NPO
City of Vancouver	CoV
Strata	Other ASP

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
1.1	Heating, Ventilation and Air Conditioning exclusive to or within the leased premises (excluding common equipment / systems)		
a	- annual inspection	CoV	CoV
b	- routine maintenance and repair	CoV	CoV
c	- provision & replacement of filter material	CoV	CoV
d	- cleaning of ducts	CoV	CoV
e	- life cycle replacement (Capital Maintenance)	CoV	CoV
f	-operating costs	NPO	NPO
1.2	Common Heating, Ventilation and Air Conditioning (systems serving more than the leased premises)		
a	- annual inspection, maintenance and repair	CoV/other ASP	CoV/other ASP

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
b	- life cycle replacement	CoV/other ASP	CoV/other ASP
2.1	Plumbing Systems exclusive to or within the leased premises (excluding common systems/equipment)		
a	-preventive maintenance and repairs to hot water heating systems and domestic cold water systems	CoV	CoV
b	- major repairs and replacement of hot water heating systems and domestic cold water systems	CoV	CoV
c	- repairs to all fixtures including faucets, unplugging toilets and all other routine repairs	NPO	NPO
d	- life cycle replacement of hot water systems, fixtures and piping	CoV	CoV
2.2	Common Plumbing Systems (systems serving more than the leased premises)		
a	- annual inspection, maintenance and repair	CoV/other ASP	CoV/other ASP
b	- life cycle replacement	CoV/other ASP	CoV/other ASP
c	-maintenance and replacement of sump pumps	CoV/other ASP	CoV/other ASP
3.1	Mechanical Systems and Equipment (including elevators) exclusive to or within the leased premises (excluding common systems/equipment)		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
a	- preventive maintenance and repairs	CoV	CoV
b	- installation, maintenance and replacement of additional equipment provided and installed by the occupant	NPO	NPO
c	- life cycle replacement	CoV	CoV
3.2	Common Mechanical Systems and Equipment (serving more than the leased premises)		
a	- annual inspection, maintenance and repair	CoV/other ASP	CoV/other ASP
b	- life cycle replacement	CoV/other ASP	CoV/other ASP
4.1	Fire Protection & Suppression exclusive to the leases premises		
a	- <u>Fire extinguishers</u> : monthly inspection;	NPO	NPO
b	- <u>Fire extinguishers</u> : annual inspection; repairs, recharging, and life-cycle replacement	CoV	CoV
c	- <u>Smoke detectors</u> : monthly inspection	NPO	NPO
d	- <u>Smoke detectors</u> : annual inspection; repairs and/or life-cycle replacement	CoV	CoV

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
e	- <u>Fire alarm system</u> : monthly and annual inspection; maintenance, repairs and life-cycle replacement	CoV	CoV
f	- <u>Fire sprinkler system</u> : annual inspection (or more frequently as required); maintenance, repairs and life-cycle replacement	CoV	CoV
4.2	Common Fire Protection & Suppression (systems serving more than the leased premises)		
a	- highrise smoke control systems	N/A	N/A
b	- fire protection equipment and life safety systems and related devices (ie. alarms, fire pump and standpipe systems, emergency power and lighting, etc)	CoV/other ASP	CoV/other ASP
5.1	Security Systems dedicated to or within the leased premises		
a	- system monitoring, inspection, maintenance and repair	NPO	NPO
b	- repair, replacement, re-keying of all locks	NPO	NPO
c	- life cycle replacement	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
5.2	Common Security Systems (systems serving more than the leased premises)		
a	- system monitoring, inspection, maintenance and repair	CoV/other ASP	CoV/other ASP
b	- life cycle replacement	CoV/other ASP	CoV/other ASP
6.1	Electrical Distribution Systems exclusive to or within the leased premises (excluding common systems/equipment)		
a	- repairs and upgrades required by Code	CoV	CoV
b	- inspection, maintenance and repair of wiring, breakers and electrical panels	CoV	CoV
c	- repair or replacement of switches, receptacles, cover plates	NPO	NPO
d	- life cycle replacement of wiring, breakers and panels	CoV	CoV
e	- maintenance, repair and replacement of auxiliary power generating systems	CoV/other ASP	CoV/other ASP
f	- additions, enhancements to meet tenant's program needs, including ongoing maintenance	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
6.2	Common Electrical Distribution Systems (systems serving more than the leased premises)		
a	- repairs and upgrades required by Code or initiated by other ASP	CoV/other ASP	CoV/other ASP
b	- inspection, maintenance and repair of electrical distribution systems	CoV/other ASP	CoV/other ASP
c	- life cycle replacement of electrical distribution systems	CoV/other ASP	CoV/other ASP
6.3	Lighting Systems within the leased premises		
a	- bulb/tube replacement for interior lighting	NPO	NPO
b	- annual inspection and maintenance of interior emergency/exit lighting	CoV	CoV
c	- interior lighting ballast replacement	CoV	CoV
d	- cleaning of interior light fixtures	NPO	NPO
e	- life cycle replacement of interior fixtures and emergency/exit lighting	CoV	CoV
f	- maintenance and repair of exterior lighting (fixed to the exterior shell of the leased premises)	CoV	CoV
g	- life cycle replacement of exterior lighting (fixed to the exterior shell of the leased premises)	CoV	CoV

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
h	- provision, maintenance, repair and replacement of portable lighting fixtures	NPO	NPO
6.4	Common Lighting Systems (systems serving more than the leased premises)		
a	- inspection, maintenance and repair	CoV	CoV
b	-cleaning	NPO/other NPO	NPO/other NPO Proportionate Share
c	- life cycle replacement	CoV	CoV
7.1	Interior Windows within the leased premises		
a	- breakage and replacement of interior windows, not caused by the occupant or operations	CoV	CoV
b	- breakage and replacement of interior windows, caused by the occupant or operations	NPO	NPO
c	- routine repairs and cleaning	NPO	NPO
d	- replacement due to normal wear and tear	CoV	CoV
7.2	Exterior Windows of the leased premises and Play Yard Canopy		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
a	- breakage, routine repairs and replacement of exterior windows or canopy, not caused by the occupant or operations	CoV	CoV
b	- breakage, repair, and replacement of exterior windows or canopy, caused by the occupant or operations	CoV	NPO
c	- cleaning of interior surfaces of exterior windows	NPO	NPO
d	- cleaning of exterior surfaces of exterior windows and play yard canopy	NPO/other NPO	NPO/other NPO Proportionate Share
7.3	Common Area Windows		
a	- breakage and repair (not caused by occupants or operations)	CoV	CoV
b	- breakage and repair (caused by occupants or operations)	NPO	NPO
c	- cleaning (of interior and exterior surfaces)	NPO/other NPO	NPO/other NPO Proportionate Share
d	- life cycle replacement	CoV	CoV
7.4	Interior Doors of the leased premises		
a	- maintenance and repair, including hardware	NPO	NPO
b	- life cycle replacement, including hardware	CoV	CoV
7.5	Exterior Doors of the leased premises		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
a	- maintenance and repair, including hardware	CoV	CoV
b	- life cycle replacement, including hardware	CoV	CoV
7.6	Common Area Doors		
a	- maintenance and repair	CoV	CoV
b	- life cycle replacement	CoV	CoV
8.1	Interior Surfaces within the leased premises		
a	- interior life cycle repainting	CoV	CoV
b	- provision of, maintenance and cleaning of window applications including, but not limited to blinds and curtains	NPO	NPO
c	- repairs to interior walls and ceilings, including minor painting	NPO	NPO
d	- life cycle replacement of ceiling tiles	CoV	CoV
e	- interior repairs due to building system failures such as roof leaks, exterior walls and foundation leaks not caused by the occupant or operations	CoV	CoV
f	- maintenance and repairs of floor coverings, including carpet and tile	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
g	- life cycle replacement of floor coverings	CoV	CoV
h	- maintenance and repair of millwork	NPO	NPO
i	replacement of millwork	CoV	CoV
8.2	Common Area Interior Surfaces (outside of the leased premises)		
a	- all maintenance and repairs	NPO/other NPO	NPO/other NPO Proportionate Share
b	- all capital maintenance or replacements	CoV	CoV
9.1	Major Structural Systems within the leased premises		
a	- maintenance and repairs of foundations, flooring sub-structure, building envelope including bearing walls, awning and roofing, due to damage related to the tenancy	CoV	NPO
b	- replacements of foundations, flooring sub-structure, building envelope including bearing walls, awning and roofing, due to damage not related to the tenancy	CoV	CoV
c	- repairs and painting of exterior surfaces including windows, trim, fascia and soffits	CoV	CoV

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
d	- exterior life-cycle repainting	CoV	CoV
e	-cleaning of eaves troughs, gutters and awning	NPO	NPO
9.2	Major Structural Systems external to the leased premises		
a	- all repairs and replacements	CoV	CoV
10.1	Site Services within the leased premises		
a	-snow and ice removal from steps, walkways, entrances (including the provision of de-icing materials)	NPO	NPO
b	-snow and ice removal from roof areas, canopies and/or awnings (if applicable)	CoV	CoV
c	-graffiti removal	CoV	CoV
10.2	Common Site Services outside of the leased premises		
a	- landscaping repairs and maintenance	NPO/other NPO	NPO/other NPO (Proportionate Share)
b	- grass cutting	NPO/other NPO	NPO/other NPO (Proportionate Share)
c	- general cleaning of grounds, litter disposal	NPO/other NPO	NPO/other NPO (Proportionate Share)
d	- snow and ice removal from steps, walkways, entrances including provision of de-icing materials	NPO/other NPO	NPO/other NPO (Proportionate Share)

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
e	- snow and ice removal from entrance to parking areas	Other ASP	CoV/other ASP
f	- snow and ice removal from roof areas, canopies, and/or awnings (if applicable)	CoV	CoV
g	- repairs of water and sewage systems (beyond the building perimeter), unless deemed to be caused by the Tenant	CoV/other ASP	CoV/other ASP
h	- maintenance, repair and replacement of gates and fences (excluding tenant specific gates and fences)	CoV	CoV
i	- maintenance and repair of parking areas for the leased premises	CoV/other ASP	CoV/other ASP
j	- graffiti removal	CoV	CoV
11.1	Interior Signage within the leased premises		
a	- maintenance, repair and replacement of interior signage	NPO	NPO
11.2	Exterior Child Care Signage (within the leased premises and/or outside the leased premises)		
a	- maintenance, repair and replacement (subject to prior approval of CoV and Dev/Strata)	NPO	NPO
11.3	Signage exterior to the leased premises		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
a	- maintenance, repair and replacement (subject to prior approval of CoV)	NPO/other NPO	NPO/other NPO (Proportionate Share)
12.1	Play Area and Equipment		
a	- inspection, maintenance, and repair of playground equipment and structures	NPO	NPO
b	- life cycle replacement of play equipment and structures	NPO	NPO
c	- maintenance, repair and replacement of general outdoor surfaces, gates and fences	NPO	NPO
d	- maintenance, repair, replacement of sand and fibar materials	NPO	NPO
e	- maintenance of landscaping (plantings)	NPO	NPO
f	-maintenance, repair and replacement of perimeter fencing when damage is <i>not</i> caused by occupants or operations	CoV	CoV
g	-maintenance, repair and replacement of perimeter fencing when damage is caused by occupants or operations	CoV	NPO
13.1	Janitorial Services (within the leased premises)		
a	- routine janitorial/custodial services	NPO	NPO
b	- pest control services (interior)	NPO	NPO
c	- provision of all washroom supplies	NPO	NPO
d	- garbage and recycling removal services	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
13.2	Common Area Janitorial Services (outside of the leased premises)		
a	- routine janitorial/custodial services	NPO/other NPO	NPO/other NPO (Proportionate Share)
b	- pest control services (exterior)	CoV	CoV
c	- provision of all washroom supplies	N/A	N/A
d	- garbage removal services	NPO/other NPO	NPO/other NPO (Proportionate Share)
14.1	Appliances, Program and Other Non-Installed Equipment within the leased premises		
a	- inspection, maintenance and repair of all non-building equipment including stoves, refrigerators, microwaves, coolers, free standing cabinets, track lighting	NPO	NPO
b	- replacement of all appliances, program and non-installed equipment	NPO	NPO
c	- maintenance, repair and replacement of furniture	NPO	NPO
15.1	Renovations and Upgrades to the Leased Premises		
a	- any upgrades, additions, enhancements or improvements beyond what was originally provided during construction (subject to prior approval by CoV)	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
16.1	Utilities		
a	- electricity	NPO	NPO
b	- gas	NPO	NPO
c	- water and sewer	NPO	NPO
d	-neighbourhood energy utility (NEU)	NPO	NPO
e	- all other municipal utilities charges which appear on the property tax notice	NPO	NPO
17.1	Business Operations		
a	- staff costs	NPO	NPO
b	- telephone, internet & cable services	NPO	NPO
c	- insurance (CGL, business interruption, contents, etc.)	NPO	NPO
d	- supplies and equipment, including for bathroom and kitchen	NPO	NPO
e	- security services	NPO	NPO

Life Cycle Replacement

Life cycle replacement is based on fair wear and tear. The need of such replacement is at the Landlord's sole discretion.

Damage

Notwithstanding the foregoing, it is a condition hereof that the Landlord's obligation to maintain, repair, and replace parts of the Premises as indicated above is always subject to the availability of funds currently budgeted by the Landlord for such purposes at the Premises