



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: April 22, 2005
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Meeting Date: May 10, 2005

TO: Vancouver City Council

FROM: Director of Social Planning in Consultation with the Director of Legal Services, Director of Real Estate Services and Director, Facility Design and Management.

SUBJECT: Montessori Day Care Redevelopment - 2096 West 8th Avenue

RECOMMENDATION

- A. THAT Council approve the transfer of Lots 20 and 19 Except ROW, Block 305, District Lot 526, Plan 590 from Capital Asset to Property Endowment Fund.
- B. THAT Council approve the transfer of Lots F and 2 Except ROW, Block 325, District Lot 526, LMP34535 from Property Endowment Fund to Capital Asset.
- C. THAT Council approve the allocation of City-owned Lots F and 2 (except ROW), Block 325, District Lot 526, for the purposes of constructing a 40-space licensed child care facility, to be operated by The Montessori Day Care Society.
- D. THAT Council to approve up to \$100,000 for site analysis and design development of a 40-space licensed child care centre on the new site for report back by Staff before September 30, 2005 on the project budget and a recommended funding plan; source of funding for this phase to be the Property Endowment Fund.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services recommends approval of A, B, C and D.

COUNCIL POLICY

In March, 2003, Council, Park and School Boards adopted the Childcare Protocol to maintain and expand child care by 5% over the next two years.

In April, 2002, Council approved the child development strategic plan - "Moving Forward" Childcare: A Cornerstone to Child Development - as the basis for future design of child care/child development services.

PURPOSE

The purpose of this report is to seek Council's approval to:

1. Transfer Lots 20 & 19 Except ROW, Block 305, District Lot 526, Plan 590 to the PEF and transfer Lots F and 2 (except ROW), Block 325, District Lot 52 to Capital Asset.
2. Allocate a new site to The Montessori Day Care Society at City-owned Lots F and 2 (except ROW), Block 325, District Lot 526 to develop a new permanent facility for the purposes of a 40-space licensed child care facility (25-space 3 to 5 program and 15-space 3 to 5 program)
3. Approve up to \$100,000 for site analysis, design development and cost estimates for a 40-space Centre in a permanent facility on the new site, source of funding for this phase to be the Property Endowment Fund.

BACKGROUND

In the mid 1970's, the Provincial government entered into a lease arrangement with the City for the use of City-owned land on which to build ten child care portables. The Provincial government then leased the portables to non-profit child care providers for nominal rent. The Montessori Day Care Society (referred to herein as The Society) was one of the non-profit societies included in this arrangement. The Montessori Day Care portable is located on a city-owned site at 2091 West 8th Avenue. The Society currently delivers a 25-space licence group child care program for 3-5 years olds.

On March 31, 2005, the Province transferred ownership and occupancy costs of the existing portable to The Society. In exchange, the Province has agreed to provide capital funding to the Society in an amount up to an aggregate of \$455,000. This amount is to be used towards the construction costs of a purpose-built child care facility on the condition the Society continues operation for a minimum of ten years from the date of completion of the facility.

The Society was initially interested in renovating the 30-year old portable to build a second storey. Staff reviewing the proposal expressed significant concerns with this approach: given the age and construction of the existing prefabricated building; the Society's interest in expanding their program; and the City's interest in reclaiming the existing site for more intensive development.

In November, 2002, Council approved the acquisition of Lot 2 adjacent to Lot K on Block 305; and Lot 2 adjacent to Lot F on Block 325, for \$650,000 (See APPENDIX A). The four lots on

Block 305, bounded by CPR ROW, 7th and 8th Avenues and Arbutus Street (APPENDIX "A"), are owned by the City. The two Lots on 8th Avenue (20 and 19) are held as Capital Assets, and the two lots on 7th Avenue (K and 2) are held in the PEF.

This arrangement allowed for the assembly of Lots 19, 20, K and 2 on Block 305 to form a future development site with a market value in the \$3 million range. In addition, the acquisition of Lot 2 adjacent to Lot F provided a site to move the Montessori Daycare from the future development site.

There is now an opportunity for the development of a permanent Montessori Daycare on Lots F and 2, and to accomplish this the Director of Real Estate Services is recommending the designation of the Lots F and 2 be changed from PEF to a Capital Asset, and Lots 20 and 19 be changed from Capital Asset to the PEF. This option provides an opportunity to upgrade the child care environment, expand child care spaces and meet the City's desire to redevelop on the Daycare's current site.

With the relocation of the Montessori Daycare to Lots F and 2, the PEF will have a vacant development site and is thus prepared to fund the pre-development and cost study up to \$100,000.

DISCUSSION

The Child Development Coordinator and the Director of Real Estate Services have had an initial meeting with the Board of Directors of the Society to discuss the possibilities of the relocation. The Society has indicated that while its preference is to remain on the existing site, given that the playground has mature trees and has, over time, created a very desirable outdoor environment, it is willing to work with the City to create the appropriate environment on the proposed site across the street from its current location. The City's Real Estate Department estimates lots F and 2 (except ROW), which are part of the Property Endowment fund, are valued at approximately \$1.5 million.

Staff recommend that the City fund the site analysis, design development and cost estimates for the child care facility so that the overall project budget can be established. Subject to identification of appropriate funding, construction costs would be shared among the City, the Society and the Province (initial contribution by the Province of approximately \$455,000 secured). The Child Development Coordinator is in discussion with the Province seeking a stronger commitment, given the City's contribution of land and funding for design construction.

In order to proceed, staff require Council's approval to allocate lots F and 2 (except ROW) for the purposes of building a permanent larger child care facility and funding for site analysis, design development and cost estimates to establish a project budget for the facility on the new site. Once a project budget has been established, Staff will report back to Council with recommendations for funding.

FINANCIAL IMPLICATIONS

The City will be contributing land for the new centre currently valued at approximately \$1.5 million.

Up to \$100,000 is requested for site analysis, design development and cost estimates to establish a project budget for the expanded facility on the new site. Once the project budget is established, staff will return to Council with a recommended funding plan and seek approval to proceed with the project.

It is anticipated that the City's share for the facility will be an estimate of \$1,000,000. Specific funding has not been identified; however, it is likely that the new centre will be eligible for funding from the City-wide DCL. Other City funding will be requested in the 2006-2008 Capital Plan.

CONCLUSION

The Director of Social Planning supports the recommendations to:

1. Transfer Lots 20 & 19 Except ROW, Block 305, District Lot 526, Plan 590 to the PEF and transfer Lots F and 2 (except ROW), Block 325, District Lot 52 to Capital Asset.
2. Allocate a new site for The Montessori Day Care Society at City-owned Lots F and 2 (except ROW), Block 325, District Lot 526 to develop a new permanent facility for the purposes of a 40-space licensed child care facility (25-space 3 to 5 program and 15-space 3 to 5 program).
3. Approve up to \$100,000 for site analysis, design development and cost estimates for a larger permanent facility on new site, for a report back by Staff on the project budget and a recommended funding plan, source of funding for this phase to be the Property Endowment Fund.

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Appendix A

