



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: September 16, 2005
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Meeting Date: October 4, 2005

TO: Vancouver City Council

FROM: The General Manager of Community Services, in consultation with the Director of Social Planning and Woodward's Project Manager

SUBJECT: Woodward's - 101 West Hastings Street - Non-Profit Childcare Facility Operator and Non-Profit Tenant Selection Processes

RECOMMENDATION

- A. THAT Council approve the process for selecting a non-profit childcare facility operator for the Woodward's project, as outlined in APPENDIX A of this report;

FURTHER THAT Council approve the creation of a "Childcare Operator Selection Advisory Panel", comprised of representatives from the Woodward's Community Advisory Committee and from the Joint Childcare Council, to review applications from non-profit childcare operators and to recommend to Council an applicant which best meets the City's guidelines and evaluation criteria;

- B. THAT Council approve the process for selecting non-profit tenants for inclusion in the City-owned parcel of the Woodward's project, as outlined in APPENDIX B of this report;

FURTHER THAT Council approve the creation of a Non-Profit Tenant Selection Advisory Panel, comprised of representatives from the Woodward's Community Advisory Committee and the cultural, social service, and health fields, to review the applications and to recommend to Council those applicants which best meet the City's guidelines and evaluation criteria.

CONSIDERATION

- C. THAT Council direct staff to allocate up to 10,000 square feet of space, or such other amount as determined by Council, in the City Parcel for market rent paying tenants and that the City administer such space for profitable uses.

GENERAL MANAGER'S COMMENTS

The General Manager recommends approval of A and B.

Consideration item C is brought forward as a follow-up to Report RTS5358 where several options were set out under the "FINANCIAL IMPLICATIONS TO THE CITY AND MITIGATING OPTIONS" section where Council was advised that the City could decide to set aside some of the 31,500 square feet of space in the City Parcel for market rent paying tenancies to help offset some the City's shortfall costs.

COUNCIL POLICY

Childcare Policy

In October, 1990, Council approved the Civic Childcare Strategy which established the City's commitment "to being an active partner with senior levels of government, parents, the private sector and the community, in the development and maintenance of a comprehensive childcare system in Vancouver."

In April, 2002, Council approved the Childcare Strategic Plan "Moving Forward", which established priorities and a Planning Process to strengthen municipal processes to support the development of a comprehensive range of early childhood development hubs.

In March, 2004, Council approved the City of Vancouver's Childcare Protocol, which calls for maintaining existing childcare facilities, expanding childcare services by 5% over the following two years and creating more equitable access to childcare across the city and the creation of the Joint Childcare Council.

On September 13, 2005, Council authorized the Woodward's Steering Committee to finalize the terms and conditions of a 37-space childcare facility to be included in the Woodward's project for a price estimated to be \$1,665,000; source of funds to be City-wide DCLs for Childcare.

Woodward's Project Policy

On July 8, 2003, Council approved the Woodward's Guiding Principles intended to guide the redevelopment of the Woodward's project, as contained in APPENDIX C.

Woodward's Project Non-profit Tenant Policy

On April 6, 2004, Council approved a list of Non-profit uses for potential Developers to consider in submitting their RFPs for the Woodward's project and instructed the Office of Cultural Affairs and Social Planning to report back with recommendations on the final mix of uses, together with the approved Non-profit societies, to be selected at a later date.

SUMMARY AND PURPOSE

This report outlines and recommends for Council approval processes for selecting: 1) a childcare facility operator, and 2) non-profit tenants for the City-owned parcel of the Woodward's redevelopment. The proposed processes build on the extensive public input received to-date, provide some flexibility for evolving community needs as the project develops, while still meeting the developer's requirements of the design and permit processes. The processes include input and recommendations received from the Woodward's Community Advisory Committee.

A consideration item is set out regarding use of space in the City Parcel for market rent paying tenants.

BACKGROUND

On April 22, 2003, Vancouver City Council adopted a Project Framework for the redevelopment of Woodward's to: evaluate potential civic and other uses for the project, to consider design options and address financial oversight, and to develop an inclusive public consultation process.

Since that time, Council has approved a series of steps for redevelopment of a mixed-use project, including uses which would be provided to non-profit organizations for the provision of social, health, cultural, community and/or childcare services through a lease of City-owned space within the site.

On September 13, 2005, Council approved the design update for the Westbank proposal which provides for 31,540 square feet of City-owned space for non-profit social, health, and cultural uses, as well as an additional opportunity for a childcare facility. The general terms of the pending Sales Agreement between Westbank and the City of Vancouver, as approved by Council, specifies that the developer must cover the costs to build the Community space and provide an allowance for fit-out and finish. The additional costs associated with finishing this space will be the responsibility of the City or its tenants.

With Council's approval to include a 37-space childcare facility in the Woodward's redevelopment - to be funded from City-wide DCLs for childcare - the project design can now move forward. Therefore, staff are seeking Council approval of the selection processes for the childcare facility operator and the non-profit tenants for the City-owned parcel.

DISCUSSION

Since the City first purchased the building in March, 2003, there have been a series of events and open houses to involve the community in shaping the redevelopment plans for the Woodward's site. Beginning with the "visioning workshops" held in the spring of 2003, the ideas, hopes and dreams of the neighbourhood have guided the project. The community feedback received during the RFP open houses in the summer of 2004 also played a significant role in the evaluation and final selection of the Developer proposals received. The Woodward's Community Advisory Committee (WCAC) was created in February of 2005 to continue and build on the community consultation received to date, to provide guidance and advice to the Development Team, City staff and the Steering Committee and to act as a liaison to the community and the public on a variety of issues. The processes recommended in this report, as described in detail in APPENDICES A and B, include the input and recommendations received from the WCAC and were approved at the September 7th Committee meeting.

Both processes propose the creation of Selection Advisory Panels, comprised of representatives from the WCAC as well as neighbourhood leaders knowledgeable in the respective areas. The Selection Advisory Panels will work with staff to apply the Guiding Principles and evaluation criteria that have been developed through the public consultation processes and endorsed by Council.

1. Selection Process for Childcare Facility Operator

During the community visioning workshops and Ideas Fair in 2003, participants identified family and childcare services to be among the most important uses to include in the Woodward's redevelopment. In determining the most optimal and financially viable services for the Woodward's project, staff have analyzed a continuum of childcare options ranging from a 37-space childcare program, a 49-space childcare program to a 69-space child development hub. On September 13, 2005, Council approved, in principle, staff's recommendation to include a 37-space childcare facility with a large outdoor play area on the top floor of the 1903/08 building of the Woodward's redevelopment.

Staff will explore additional opportunities with the Developer to allow the childcare program to expand over time and will work with BC Housing to explore opportunities for creating family childcare spaces in the Non-Market Family component of the project.

The Woodward's Project Childcare Options Paper outlines the detailed and extensive evaluation that staff undertook in making their recommendations to the Woodward's Steering Committee to support inclusion of a 37-space childcare facility in the project and is attached as APPENDIX D for Council's information.

This report recommends a process for Council approval for selecting the childcare facility operator, the specific steps which are outlined in APPENDIX A. It is important to implement a process that is clear and transparent and provides clear direction and structure for this next phase of the Woodward's project. The proposed selection process includes the involvement of the Woodward's Community Advisory Committee and representatives from the Joint Childcare Council. As previously discussed, the WCAC has reviewed and provided

recommendations to staff regarding the proposed selection process and support the process as generally outlined in APPENDIX A.

The Childcare Facility Selection Advisory Panel will work with staff to review the proposals received and to make recommendations to select a childcare facility operator that best meets the Woodward's Guiding Principles, the community's needs and the evaluation criteria. Their recommendations will be made for Council's consideration and approval.

2. Selection Process for Non-profit Organizations

In response to the initial Request for Expressions of Interest circulated, the City received sixteen (16) submissions from individuals and non-profit, health, cultural and/or social service groups seeking space with the Woodward's project. Since then, an additional 38 submissions have been received for a total of 54 applications from a variety of individuals and organizations proposing a range of uses - from bowling alley to healing centre; office space to rehearsal space; and community kitchen to storage space. A list of the organizations and individuals that have submitted proposals to-date is attached to this report as APPENDIX E.

Many of the submissions received are in the form of a letter of expression of interest. It is now appropriate to put in place a process to confirm with non-profit organizations wanting to finalize their interest in the project, and for organizations to now develop more detailed submissions for assessment and for Council's final approval. The variety of proposed uses and the long development timeline make it necessary to plan for flexibility in the design of the City-owned parcel to ensure it can accommodate a variety of uses and to clarify those proposals which are "purpose built" space uses prior to the developer submitting a Development Permit application, which is expected this fall.

Staff are recommending a process that builds on the public input received to date, acknowledges the need for timely decisions to meet deadlines, and provides for continued opportunities for input. This report recommends a process for selecting the non-profit tenants, the specific steps which are outlined in APPENDIX B for Council approval. As with the process for determining the childcare facility operator, it is important to lay out a process that is clear and transparent and provides clear direction for the structure of this next phase of the Woodward's project. In addition, it is important that the community and non-profit sector are clear in understanding the steps in the process that has been outlined, in order to provide the greatest possible opportunity to engage the local community and encourage non-profit participation.

The proposed selection process will include the involvement of representatives from the Woodward's Community Advisory Committee and appointed community leaders in the fields of health, social services and culture. The Non-Profit Selection Advisory Panel will work with staff and the Woodward's Steering Committee and recommend to Council non-profit tenants that best meet the Woodward's Guiding Principles, the community's needs and the established evaluation criteria.

FINANCIAL IMPLICATIONS

As outlined in the report to Council September 13, 2005, the construction costs for the childcare facility are not the Developer's responsibility. On September 13, 2005, Council approved an estimated cost of \$1,665,000 for construction of the childcare facility, to be taken from City-wide DCLs for childcare.

The construction of the City-owned parcel within the Woodward's redevelopment is the financial responsibility of the Developer, as stated in the general terms of the pending Sales Agreement. In addition the developer will provide a tenant improvement allowance. However, there will likely be additional tenant improvement costs associated with this space, which will vary depending on the complexity of the proposed use, and these improvements, if required, and will be the financial responsibility of the non-profit tenant. Among the criteria for evaluating the non-profit proposals received is the potential tenants' ability to secure the capital funds necessary to fit up their proposed space.

On September 13, 2005, Council approved retaining the City-owned parcel as a Capital Asset to the City. While non-profit tenants in City-owned capital assets may pay a lower than market rent for their space (as low as \$1 per year for some lease agreements) and may be exempted from paying rents-in-lieu of taxes, there will be ongoing operating costs associated with occupancy, including a share of common area costs, basic utility costs (heat, light, telephone etc.), and operating program and service delivery costs. Among the criteria for evaluating the non-profit proposals is the potential tenants' financial ability to pay any ongoing occupancy costs.

One of the options identified in the September 13, 2005 Report to Council (RTS5358) under the "FINANCIAL IMPLICATIONS TO THE CITY AND MITIGATING OPTIONS" section to help address some of the Project's financial challenges was to allocate some of the space in the City Parcel to market rent paying tenants. If the City was to set aside approximately 10,000 square feet of space and charge a market rent of \$12.00 per square foot (triple net), the City would create a capitalized asset (at 7%) of approximately \$1,700,000. The net income derived from the leasing of this space would be approximately \$120,000 per year (when fully leased) and this cash flow could be used by the City to offset a portion of the City's share of the Project shortfall costs.

Given the public process that staff will soon undertake to select Non-Profit organizations for recommendation to Council in 2006, it is important to ascertain whether or not the entire 31,500 square foot City Parcel is to be included in this process, or whether staff should hold back space for other market opportunities.

CONCLUSION

The Woodward's redevelopment is crucial to the revitalization of the Downtown Eastside and a top priority of Council. With Westbank Projects Corporation/The Peterson Investment Group Inc. confirmed as the Developer, and Council's recent approval of the design concept, the City is ready to proceed with the childcare facility operator and non-profit tenant selection processes.

The General Manager of Community Services, in consultation with the Woodward's Project Manager, therefore recommends approval of the processes for the selection of a childcare facility operator and non-profit tenants that build on the input received to date, acknowledges the need for timely decisions to meet deadlines, and provide further opportunities for community input, including the creation of a Childcare Facility Operator Selection Advisory Panel and a Non-Profit Tenant Selection Advisory Panel, as described in this report.

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Childcare Facility Operator Selection Process

The following outlines staffs recommendations to structure a process to select the Childcare Facility Operator for the Woodward's Project, and is subject to Council approval:

- Convene a "Childcare Facility Operator Selection Advisory Panel", comprised of representatives from the Woodward's Community Advisory Committee and representatives from the Joint Childcare Council.
- Using the Council-approved Woodward's Guiding Principles and Non-profit Tenant Evaluation Criteria as a model, the Childcare Facility Operator Selection Advisory Panel will develop evaluation criteria for the selection of a childcare facility operator to use in reviewing the proposals received.
- The Childcare Facility Operator Selection Advisory Panel will set a deadline date for final applications for the childcare facility operator that considers both the need for timely decisions to meet deadlines, yet provides applicants the greatest amount of time to prepare their submissions.
- The Childcare Facility Operator Selection Advisory Panel will select a short list of applicants from the final submissions received, which best meet the guidelines and evaluation criteria established.
- Short-listed finalists will be invited to make a detailed submission which will include:
 - evidence of knowledge and practice of quality child development services with City and community agencies delivering child development services;
 - organizational capacity to raise the funds necessary to complete the project;
 - proven ability to deliver a high quality affordable childcare service; and
 - demonstrated knowledge of the Downtown Eastside and local childcare issues.
- Final submissions received will be reviewed for technical compliance and completeness by City staff.
- Final submissions meeting technical compliance will be forwarded to the Childcare Facility Operator Selection Advisory Panel for review and evaluation.
- The Childcare Facility Operator Selection Advisory Panel will make recommendations to the Woodward's Steering Committee regarding selecting a childcare facility operator that best meets the evaluation criteria.
- The Steering Committee will review the Childcare Facility Operator Selection Advisory Panel's recommendation and make a final recommendation to City Council to select a childcare facility operator.
- City Council will make the final decision to select the childcare facility operator for the Woodward's project.

Non-profit Tenant Selection Process

The following outlines staff recommendations to structure a process to select the Non-profit tenants to be housed in the City-owned parcel in the Woodward's Project, and is subject to Council approval:

- Confirm the interest of all applicants requiring purpose-built space, as indicated through the submissions received to date, by way of public information meetings. The public information meetings will also serve to inform other interested non-profits or applicants, seeking either purpose-built or generic space, of the approved selection process.
- Convene a "Non-profit Tenant Selection Advisory Panel", comprised of representatives from the Woodward's Community Advisory Committee and from the cultural, social service, and health fields, preferably from the Downtown Eastside or with a strong knowledge of the local community.
- The Non-profit Tenant Selection Advisory Panel will set a deadline date for final applications from non-profit tenants requiring "purpose-built" space that considers both, the need for timely decisions to meet deadlines yet provides applicants the greatest amount of time to prepare their submissions. It should be noted that the deadline for final applications from non-profit tenants requiring "generic space" will be kept open past the deadline set for purpose-built space submissions.
- The Non-Profit Tenant Selection Advisory Panel will review the submissions received against the Council-approved Guiding Principles and Non-profit Tenant Evaluation Criteria and will select a short list of applicants which best meet the City's guidelines and evaluation criteria.
- Short-listed finalists will be invited to make a detailed submission to include:
 - detailed program requirements;
 - evidence of organizational capacity to raise the funds necessary to complete their projects;
 - proven ability to operate services and/or programs open and available to the public; and
 - demonstrated knowledge of and familiarity with the Downtown Eastside.
- The Non-Profit Tenant Selection Advisory Panel will make a recommendation to the Steering Committee regarding the amount of space which should be retained for a future allocation, specifically for non-profit tenants requiring and applying for generic space within the project.
- Final submissions for purpose-built space will be reviewed for technical compliance and completeness by staff.

- Final submissions meeting technical compliance will be forwarded to the Non-profit Tenant Selection Advisory Panel for review.
- The Non-Profit Tenant Selection Advisory Panel will make recommendations to the Woodward's Steering Committee regarding selecting non-profit tenants requiring purpose built space uses.
- The Steering Committee will review the Non-profit Tenant Selection Advisory Panel's recommendations and make final recommendations to Council regarding selecting non-profit tenants requiring purpose-built space uses. The Steering Committee will also report its recommendations back to the Woodward's Community Advisory Committee.
- City Council will make the final decision regarding non-profits requiring purpose-built space uses.
- The Non-profit Tenant Selection Advisory Committee will convene to determine general timelines, deadlines and to confirm a process, similar to that described above, for reviewing submissions from non-profit tenants requiring generic space. Given the expected occupancy for the project and the desire to keep the deadline for proposals requiring generic space open as long as possible so as to provide non-profit organizations with the greatest amount of time to submit applications, the Non-profit Tenant Selection Advisory Committee may decide to disband and reconvene with new members. Staff will report back to Council on the second phase of the non-profit tenant selection process for applicants requiring generic space.

Woodward's Guiding Principles

The following principles will guide the redevelopment of the site.

The Woodward's project must:

- be financially viable and self-sustaining
- be developed in a timely manner
- include at least 100 units of non-market housing
- be open and inclusive
- be an urban revitalization catalyst
- maintain and enhance the existing community
- incorporate the talents, visions and desires of the Downtown Eastside community
- incorporate the talents and ideas of people throughout the city
- provide employment opportunities for local residents in both the construction and operation of the new building
- provide opportunities and create synergies for local owners and businesses
- incorporate user group involvement in the design process
- celebrate the symbolism of the historic building (e.g., the lighted "W", the façade, Christmas displays, etc.)
- be environmentally sustainable
- create a lively street front (with animation at grade)
- not be a "black box" (e.g. accommodate and encourage pedestrian circulation, etc.)
- provide appropriate parking
- be accessible
- take advantage of heritage opportunities
- respond to local, physical context

Woodward's Non-profit Tenant Evaluation Criteria

- Financial Capability - ability to purchase, pay market rent or need subsidy, ability to make capital improvements, ability to cover overhead/operating;
- Financial Viability - status of existing and future financial status, strong "business case" with realistic expectations;
- Organizational Strength - capability and experience of staff and Board with proven leadership, history, references;
- Leadership - clear commitment, focused idea, determination to see idea to fruition;
- Revitalization Catalyst - ability to contribute to neighbourhood revitalization;
- Collaboration - willingness to work with others;
- Public Support - is there broad community interest in service;
- Employment - is there use of DTES skills and talent;
- Synergy - is there additional contribution or connection when combined with other uses, will the combination of uses accelerate innovation for other uses;
- Public response to non-profit uses in the project.

Woodward's Project Childcare Options Paper

August 22, 2005

Purpose

The purpose of this report is to outline three possible models of childcare operation for the Woodward's Project to help inform the steering committee's decision-making process on types and scale of uses for the project.

Background

On January 28, 2003, City Council approved the purchase of Woodward's, the former department store located at 101 West Hastings. The purpose of the City buying Woodward's is to revitalize the area by redeveloping Woodward's with a mix of uses, including market and non-market housing, retail at grade, commercial and/or institutional uses, and heritage conservation. In May, 2003, the City began a unique process to involve the community and other Vancouver residents in designing and planning the redevelopment of the building in a way that is socially, environmentally and economically sustainable. During the Community Visions and Ideas Fair, participants identified family services, including childcare, as one of the uses in the Woodward's Project.

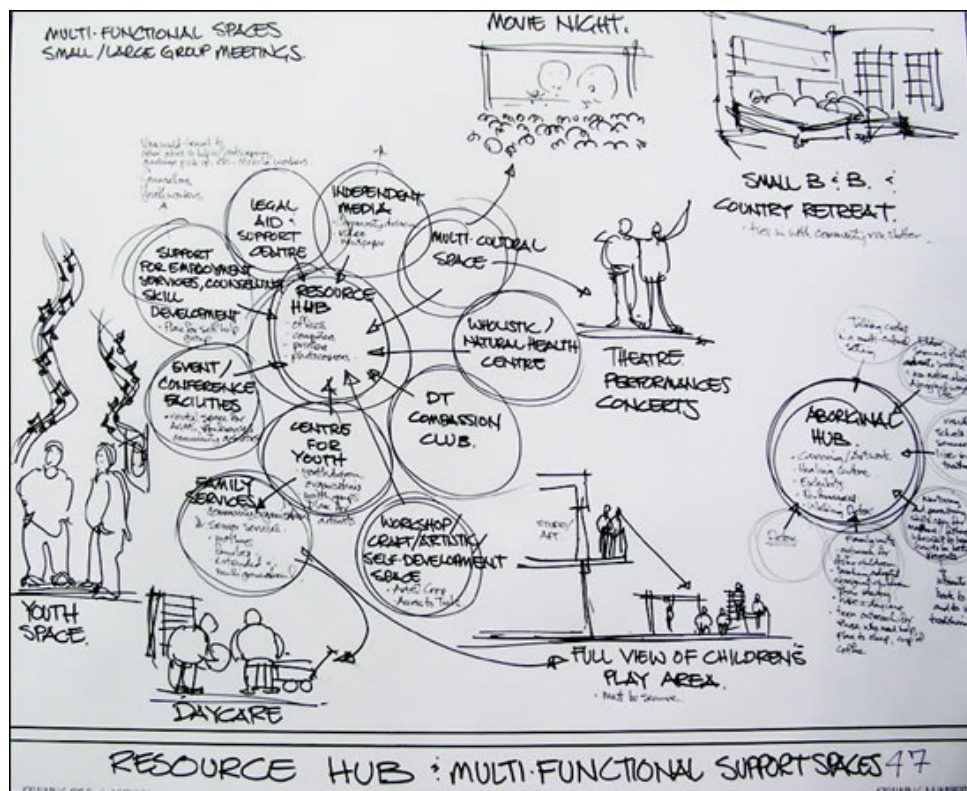


Figure 1: Community Visioning and Ideas Fair (Spring, 2003)

Discussion

Federal and Provincial Childcare Context

In the Spring of 2005, the Federal government committed to provide \$5 billion over five years for a national childcare program. The Federal government has outlined four principles to guide the national program: quality, universality, accessibility, and developmental opportunities. BC's portion of the national program is \$91 million for 2005/2006. However, BC has yet to sign an agreement with the Federal government. In addition, the Federal government is providing \$29 million to childcare through the existing Multilateral Framework and \$65 million through the Early Childhood Development agreement to BC. The Provincial budget for 2005/2006 for childcare is \$183 million, giving a total of \$368 million for 2005/2006 from Provincial and Federal funds.

The City's Strategic Childcare Plan

Building on the 1990 Civic Childcare Strategy, in 2002 Council approved the strategic childcare plan, "Moving Forward." The strategic plan makes a shift from isolating childcare from other child development services (e.g. family place, drop ins), to work with other funding partners in the planning, funding and delivery of service, within a hub model. The hub model proposes a more holistic and integrated approach and utilizes the facilities and expertise in the existing childcare system to deliver a continuum of services for families and children from birth to age 12 years of age. The plan is based on the understanding that quality childhood experiences maximize success in later childhood and adulthood, and that these experiences are relevant to parental and non-parental care situations (e.g. childcare). It is also based on the knowledge that families and children need a range of supports during the developing years.

Local Plan

In January, 2004, Council received the Draft Downtown Eastside Economic Revitalization Plan. The Plan outlines strategies and actions to increase business activity and job creation for the Downtown Eastside. One of the key strategies included within the Plan is to increase employment opportunities for residents in the Downtown Eastside. The Economic Revitalization Plan documents that "training is very important, but for women their ability to engage in employment training often requires daycare" (p. 16). With so little available childcare within the area, increasing access to affordable childcare is a key factor in the success of the Revitalization Plan. Childcare is key to women's equality and economic security, particularly for low-income single mothers. Women's labour force participation is crucial for the revitalization of the Downtown Eastside, and childcare is an important factor in achieving this objective.

Research

Recent research completed by Dr. Clyde Hertzman, an epidemiologist from UBC, has highlighted the urgent need for supports to children in the Strathcona neighbourhood. Dr. Hertzman has mapped children's readiness for kindergarten in Vancouver neighbourhoods using the Early Development Indicator (EDI) instrument. The EDI is a research tool completed

by kindergarten teachers that assesses children's readiness to participate in and benefit from school activities. The EDI measures children's development in five areas:

- physical health and well-being,
- social competence,
- emotional maturity,
- language and cognitive development, and
- communication skills and general knowledge.

School readiness reflects children's early development and influences school success, health and well being later in life. Dr. Hertzman's current research compares EDI data from 2000 to 2004 and shows areas where children are most vulnerable. The most striking data is found in Strathcona neighbourhood, where 75% of children are vulnerable on all scales in 2004, an increase in vulnerability of 21% since 2001. Childcare plays an important role in preparing children for kindergarten and later successes in school and life. This data documents the urgent need for childcare in Strathcona neighbourhood.

Local Childcare Needs

The child population in the Strathcona neighbourhood is 375 children in 0 to 5 years and 565 children in 6 to 12 years group (2001 Census). In 2003, in the Downtown Eastside Health Area, 456 babies were born and in 2004 486 babies were born (BC Stats). The birthrate for 2004 was 19.9 births/1000 women (15-19yrs), and for 2004, 52.5 births/ 1000 women (20-24yrs). The Downtown Eastside has the highest birthrate in these two age groupings for the entire City.

The Woodward's Project is in an under-served area of Vancouver for childcare. Currently, there are 24 group spaces for under 3 years old, 73 group spaces for 2.5-5 years, 120 preschool spaces, and 90 out-of-school care spaces (Westcoast Childcare Resource Centre, 2005). An informal survey, conducted for the business plan for 717 Princess Street Child Development Centre, uncovered an urgent need for childcare in the area. The six local childcare facilities contacted reported a large number of families waiting for childcare. It is expected that a number of local families need to access childcare but are not formally on any waiting list, and also that families from outside the area will be interested in accessing quality, licensed care. The Vancouver Society of Children's Centres, which operates City-owned centres in the downtown core, has approximately 1,500 families on their waitlist. The YWCA's Crabtree Corner provides short-term, emergency childcare to low income families in the Downtown Eastside. The majority of parents are fully subsidized for the spaces. Although the service is meant to respond to an urgent need, the centre has on average 10-12 families waiting for a space. The centre has stopped receiving applications for the last three months as they are unable to accommodate the demand. The most urgent need is for infant and toddler care.

The City is working in partnership with a number of non-profit agencies to help alleviate some of the pressure for childcare in this neighbourhood. An existing building at 717 Princes is being renovated to create a 89-space child development hub. Its anticipated opening date is 2006. The centre already has 23 infant/ toddlers, and four 3-5 year olds waiting for care, although they have not done any formal advertising of the program.

Childcare Centre Options

The following section lays out three possible models of childcare operation in the Woodward's Project: a 37-space program, a 49-space program and a 69-space program that functions as a child development hub. While the 37 and 49-space program have lower capital costs, the 69-space hub program is a more financially viable program and has space to deliver more diversified services. Smaller childcare programs generally operate at a deficit, especially those with infant and toddler programs. These programs are expensive to operate due to the licensing regulations requiring high infant/toddler to staff ratios. However, the 69-space hub programs are more financially viable as they are able to recoup fees through a variety of programs. In addition, the 69-space hub programs meet a variety of parents' needs for pre-school and parent support which is essential to Downtown Eastside families.

Option #1: 37-space program (12 toddlers, 25 3-5 year olds)
Estimated operating costs: \$309,370¹ (\$2,600 deficit)
Estimated capital costs: \$1,665,000

Pro

- Lower capital costs than the 49-space or 69-space program
- Provides 12 toddler and 25 3-5 spaces of quality, licensed childcare in an under-served area of Vancouver

Con

- Limits financial viability of program at this size (may operate at a deficit)
- Meets only a limited need in the DTES for childcare
- Does not provide infant care
- Space limited to deliver a full range of integrated service for families

Option #2: 49-space program (12 infant, 12 toddlers, 25 3-5 year olds)
Estimated operating costs: \$654,374 (\$37,000 deficit)
Estimated capital costs: \$2,205,000

Pro

- Supports more working families than the 37-space programs
- Lower capital costs than the 69-space program
- Provides 12 infant, 12 toddler and 25 3-5 spaces of quality, licensed childcare in an under-served area of Vancouver

Con

- Higher capital costs than the 37-space program
- High operational costs due to infant and toddler spaces
- Limits financial viability of program with 24 infant/ toddler spaces (will operate at a deficit due to high infant-staff ratios requirements)
- Space limited to deliver a full range of integrated service for families

¹ The budget is based on the Vancouver Society of Children's Centres fee schedule. Their fees are higher than the Eastside averages and therefore may be unaffordable to many families in the DTES. If parent fees were lowered then the deficit would increase. However, it is expected the Federal funding will provide operational support to some programs.

Option #3: 69-space child development hub (12 infant, 12 toddlers, 25 3-5 year olds, 20 pre-school/ out-of-school care spaces, family place, and parent drop-in)
Estimated operating costs: \$1,015,995 (no deficit)
Estimated capital costs: \$3,105,000

Pro

- Supports more working families than the 37 or 49-space program
- Maximizes cost efficiencies for the operator due to the variety of program and increases financial viability of the program
- Maximizes cost efficiencies of capital costs
- Provides 69 spaces of quality, licensed childcare, pre-school/ out-of-school care, family place and parent drop-in in an under-served area of Vancouver
- Full hubs more likely to provide integrated and/or coordinated services due to flexibility and size of space
- Hubs proactively assess/support broader family needs through direct delivery and/or neighbourhood linkages

Con

- Higher capital costs than the 37-space and 49-space program

Conclusion

The City has purchased the Woodward's building and is developing the site with a mix of uses. This report outlines three models of childcare operation to inform the steering committee's decisions on scale of childcare operation for the project.

List of Non-profit proposals received to date

3. 411 Seniors Centre
4. Aboriginal Cultural Centre
5. Aboriginal Media Centre Working Group, c/o IMAG
6. Artspeak Gallery
7. Beauty Night Society
8. Bill Reid Foundation
9. Brazilian Community Association
10. Capilano Southern Baptist Association/Vancouver Focus
11. Centre A
12. Children's Arts Umbrella
13. Cineworks
14. Design West, SPODI
15. Diane Kadota Arts Management
16. DOXA Documentary Film + Video Festival
17. Dragon Boat Festival
18. EMBERS Community Development Corp
19. Fast Track to Employment
20. Food & Services Resource Group
21. Full Circle Performance Society
22. Gallery Gachet
23. Gordon Neighbourhood House
24. UBC Humanities 101
25. Independent Community TV
26. Kootenay School of Writing
27. Lutheran Urban Mission Society
28. Mandala Arts & Culture Society
29. Michif Cultural Society
30. Mortal Coil Performance Society
31. Musica Intima Society
32. Narrative 360 Society for Documentary Arts
33. New Forms Media Society
34. New Forms Media Society
35. Or Gallery Society
36. Original Costume Museum
37. Out on Screen
38. Portland Hotel Society (childcare centre)
39. Portland Hotel Society (grocery store)
40. Powell Street Festival
41. Rumble Productions/Touchstone Theatre/NeWorld Theatre
42. Tradeworks Training & Employment Centre
43. Van. Co-operative Radio (Community Radio Education Society)
44. Vanc Access Artist-Run Centre
45. Vanc. Native Health - Wellness Centre
46. Vancouver Centre for Social Integration (BALLE BC)
47. Vancouver Community College

48. Vancouver Folk Music Festival
49. Vancouver Metis Community Association
50. Vancouver Opera
51. Watari Research Association
52. Westcoast Child Care Resource Centre
53. Western Front Society
54. Laura Kaufman
55. Todd Peterson