



ADMINISTRATIVE REPORT

Report Date: October 1, 2010
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Meeting Date: November 2, 2010

TO: Vancouver City Council
FROM: Managing Director of Social Development
SUBJECT: Selection of Operator for Hastings Park Child Care Centre

RECOMMENDATION

- A. THAT Council approve a licence agreement with Kiwassa Neighbourhood Services Association as operator of the new child care centre at Hastings Park until November 9, 2012 (expiry date of the initial term with Great Canadian Gaming Corporation) for the nominal licence fee of \$1.00 per year and upon such terms as approved in this report and also to the satisfaction of the Director of Legal Services in consultation with the Directors of Real Estate Services and Facility Design and Management and the Managing Director of Social Development. Kiwassa may renew the licence until November 9, 2027 (expiry date of the 15 year renewal by Great Canadian Gaming Corporation).
- B. THAT Council approve interim funding of up to \$98,560 to purchase the initial supplies needed for the new child care facility upon receipt of invoice. Source of funding is the Hastings Park Race Track Reserve to be re-paid by Great Canadian Gaming Corporation when the facility is complete (anticipated completion February 2011), as per the Permanent Child Care Facility Agreement, dated October 25, 2007.

GENERAL MANAGER'S COMMENTS

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

COUNCIL POLICY

Pursuant to Section 206(l) (a) of the Vancouver Charter, not less than two-thirds of all members of Council must approve a resolution for a grant to any organization contributing to the welfare of the City. A lease or licence of City-owned property at less than market rent is considered to be a grant.

On July 22, 2004, following the conclusion of a Public Hearing, Council approved in principle the application by Hastings Entertainment Inc. and BC Lottery Corporation to rezone Hastings Park to permit slot machines at Hastings Racecourse.

On October 4, 2005 Council approved, as rezoning conditions, a public benefits package from Hasting Entertainment Inc. which included building and paying the operating costs (less provincial grants and subsidies and income received from parents) of a 44 space permanent child care facility to address the needs of both the racetrack workers as well as the community.

The rezoning was enacted October 4, 2005 by Council.

PURPOSE

The purpose of this report is to appoint Kiwassa Neighbourhood Services Association as the operator for the new child care facility at Hastings Park and the approval of interim funding to purchase supplies in advance of occupancy of the facility, to be repaid by Great Canadian Gaming Corporation.

BACKGROUND

The need for child care for children of backstretch workers (those who groom, exercise and care for horses) at Hastings Racecourse has been a long standing issue. There are a number of backstretch workers with small children and during the training and racing season they typically start work very early when child care is not available. There have been occasions when young children have been brought to the backstretch barns by their parents due to lack of other options. Due to unsafe conditions for young children, child welfare concerns were raised on a number of occasions.

In April 2005, the City of Vancouver commissioned the Child Care Needs Assessment for Hastings Racecourse, which proposed the development of a permanent child care facility giving priority firstly to the child care needs of backstretch workers at Hastings Racecourse, secondly to other families working non-traditional hours in or near Hastings Park and then to community members requiring child care.

As a condition of rezoning, Hastings Entertainment Inc. and Great Canadian Gaming Corporation are required, at their own cost, to construct the permanent child care facility and bear the ongoing operating costs of the facility. Situated on land licensed to the racetrack operators, the child care facility will be owned by the City of Vancouver.

DISCUSSION

Kiwassa Neighbourhood Services Association, the primary provider of child care and other children's programs in the Hastings-Sunrise community, currently operates the temporary child care facility for the racecourse workers at the Neighbourhood House. Approving Kiwassa as the operator of the permanent facility means continuity of services and stability for the children and families.

The new permanent child care facility has 7,068 square feet of indoor space and 6,987 square feet of outdoor space. It will meet the City's Child Care Design Guidelines, the City's Child Care Technical Guidelines and the Provincial Child Care Licensing Regulations. The facility

must have a Community Care Facility License to operate. The proposed completion of the permanent facility is February 2011.

FINANCIAL IMPLICATIONS

Hastings Entertainment Inc. (HEI) and Great Canadian Gaming Corporation (GCGC) are responsible for construction of the permanent child care facility and its ongoing operating, repair, maintenance, insurance for the facility to its full replacement value and recapitalization costs for the duration of their operation of the Racetrack.

HEI and GCGC operate the Racetrack under a 5 year license, which expires November 9th, 2012, subject to renewal until November 9th, 2027. If HEI's and GCGC's operation of the Racetrack terminates or is not renewed then correspondingly the license to Kiwassa must be terminated or not renewed. Rather than the facility stand vacant, the community will likely expect the City of Vancouver to support the centre, as the City supports other child care programs. However, if HEI and GCGC no longer operate the Racetrack then the extended hours model to serve the backstretch and casino workers will not be needed, unless a new Racetrack operator is found. The child care operator will need to develop a business plan that will serve the local community. Similar to other child care centres in Vancouver, they may be eligible for provincial grants and subsidies, can expect to receive income from parent fees, may be eligible for private funding as well as the City's Child Care Endowment Reserve Grant (\$1650 per infant/ toddler space per year) and Child Care Enhancement Grant (currently up to \$27,000 per year). In addition, if HEI and GCGC terminate their operation agreement, the City would be responsible for maintenance costs of approximately \$20,000 per year and would become responsible for the recapitalization and capital maintenance costs of the base building and building systems over the life of the facility.

The Permanent Child Care Facility Agreement, dated October 25, 2007, requires Hastings Entertainment Inc. and Great Canadian Gaming Corporation to pay the City \$98,560 to purchase the initial supplies needed for the Permanent Facility, with any unspent funds being returned to HEI and GCGC. The amount will be paid to the City within seven days of the Director of Facility and Design Management accepting completion, or approving a list of deficiencies. Kiwassa will need to purchase initial supplies 3 months in advance of occupancy of the building and therefore, staff recommend interim funding to accommodate this need. The source of funding is Hastings Park Race Track Reserve. There will be no net cost to the City.

ENVIRONMENTAL IMPLICATIONS

The construction of the facility is targeting LEED TM Gold.

SOCIAL IMPLICATIONS

Child care contributes to social sustainability by supporting parent's labour force participation, healthy child development and school readiness.

CONCLUSION

Staff recommend appointing Kiwassa Neighbourhood Services Association as the operator for the new child care centre at Hastings Park and the approval of interim funding to purchase supplies in advance of occupancy of the facility, to be repaid by Great Canadian Gaming Corporation.

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