



## ADMINISTRATIVE REPORT

Report Date: July 19, 2013  
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Meeting Date: July 23, 2013

TO: Vancouver City Council

FROM: General Manager of Financial Services, in consultation with the General Manager of Community Services and General Manager of Real Estate and Facilities Management

SUBJECT: Childcare at 2001 West 10th Avenue - Funding Approval

### *RECOMMENDATION*

THAT Council approve a capital project budget of up to \$2,545,385 for the Kitsilano Montessori Daycare project at 2001 West 10<sup>th</sup> Avenue, source of funds to be Arbutus Development Cost Levies for childcare.

### *REPORT SUMMARY*

A 37 space childcare facility is planned to be built as part of a new residential development located at Maple Street and West 10<sup>th</sup> Avenue in Kitsilano. The facility was negotiated as part of the rezoning of the site in 2012. The property owner will design, construct and turn over to the City the childcare facility once it is built, with the City contributing up to \$2,545,385 toward the project. This report seeks Council authority to fund and proceed with the project.

### *COUNCIL AUTHORITY/PREVIOUS DECISIONS*

On December 13, 2012, Council approved in principle the rezoning of 2001 West 10<sup>th</sup> Avenue. One of the conditions approved by Council was: "the registered owner shall (...) make arrangements for (...) the design, construction, fitting, furnishing, equipping, and supplying by the owner, at its cost, of a licensable childcare facility (...) to be offset by payment from the City to come from the Arbutus DCL." The report indicated that the City's contribution was capped at \$2,545,385.

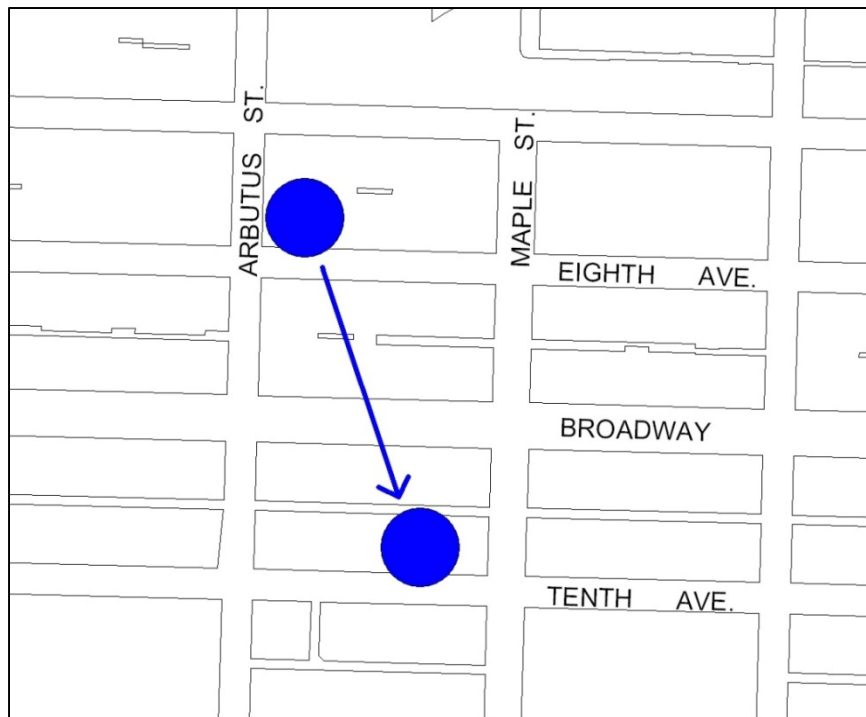
### *CITY MANAGER'S/GENERAL MANAGER'S COMMENTS*

This project was in the planning stages for several years and is now moving forward. The project achieves two important objectives: replacing an aging childcare facility and providing 12 additional childcare spaces in a medium density, central neighbourhood. Funding approval is now needed in order to allow the project to proceed.

### *REPORT*

#### *Background/Context*

The Montessori Daycare Society currently operates a 25 space facility at Arbutus Street and West 8<sup>th</sup> Avenue. The rezoning of 2001 West 10<sup>th</sup> Avenue presented an opportunity to replace and expand the aging childcare facility, increasing its size to 37 spaces.



On December 13, 2012, Council approved in principle the rezoning of 2001 West 10<sup>th</sup> Avenue. The rezoning includes space for a 37-space childcare facility. The agreement is that the property owner will design, construct and turn over to the City the childcare facility once it is built. The City will contribute up to \$2,545,385 toward the project.

Although included as part of the rezoning, the childcare facility is not an in-kind Community Amenity Contribution (CAC) because the City is paying for the facility. The CAC associated with this rezoning is a cash contribution of \$4.6 million, which Council allocated to Affordable Housing (\$3.5 million) and to the operation and maintenance of the proposed childcare facility (\$1.1 million). The cash CAC was received on July 18, 2013.

### *Strategic Analysis*

The childcare project was contemplated as the City prepared the 2012-2014 Capital Plan. Based on information available in 2011, the project was estimated to cost approximately \$2.1 million, to be funded from Arbutus Development Cost Levies (DCLs). As more accurate information on the design and layout was generated during the rezoning process in 2012, the cost estimate was revised to approximately \$2.5 to \$2.6 million. In late 2012, the property owner and the City agreed that the City contribution would be capped at \$2,545,385.

Funding approval by Council is required prior to Council considering the enactment of the zoning by-law, scheduled for July 23, 2013. Recommendation A seeks Council approval to create a capital project budget of up to \$2,545,385 for this project.

### *Implications/Related Issues/Risk (if applicable)*

#### *Financial*

As of June 30, 2013, there is just under \$2.4 million in the Arbutus Development Cost Levy (DCL) reserve. This will increase by approximately \$1.0 million when the development project at 2001 West 10<sup>th</sup> Avenue proceeds, increasing the total to \$3.6 million, which is sufficient to cover the anticipated childcare project costs.

As the \$2,545,385 will be paid to the developer when the childcare facility is built (anticipated to be in 2015), this amount will be incorporated into a future capital expenditure budget.

### *CONCLUSION*

Funding approval is being sought from Council in order to proceed with the delivery of a 37 space childcare facility in Kitsilano.

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