



## ADMINISTRATIVE REPORT

Report Date: November 29, 2016  
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RTS No.: 11710  
VanRIMS No.: 08-2000-20  
Meeting Date: January 25, 2017

TO: Standing Committee on Policy and Strategic Priorities

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

SUBJECT: Appointment of Social Non-Profit Operators and Lease Terms for Two City Facilities in Marpole: 1305 West 70<sup>th</sup> Avenue and 8188 Lord Street

### RECOMMENDATION

- A. THAT Council appoint the Association of Neighbourhood Houses of British Columbia ("ANHBC") to occupy and operate a neighbourhood house from a City-owned heritage building comprising approximately 17,000 square feet located at 1305 West 70<sup>th</sup> Avenue ("Marpole Place"), legally described as *Parcel Identifier: 006-926-959; Lot D of Lot 39, Block B, District Lots 319, 323 and 324, Plan 20015*.
- B. THAT Council appoint Marpole Oakridge Family Place Society ("MOFPS") to occupy and operate a family place, secured as part of the Community Amenity Contribution (CAC) approved at public hearing on January 21, 2014, currently under construction and comprising approximately 4,500 square feet to be located at 8188 Lord Street (the "Family Place Facility"), legally described as *Parcel Identifier: 029-348-919; Lot 1, District Lot 311, Group 1 New Westminster District, Plan EPP40711*, and to be delivered upon transfer of the air space parcel containing the Family Place Facility from the current owner, Onni Cambie Street Holdings Corp., to the City of Vancouver (the "City").
- C. THAT Council authorize the Director of Real Estate Services to negotiate and execute a lease agreement with ANHBC for Marpole Place (the "MP Lease") on the following basic terms and on terms and conditions consistent with the Form of Agreement and Service Level Agreement included as Part D of RFP No. PS20150078 issued by the City on April 19, 2016 (the "RFP"), and otherwise satisfactory to the Director of Real Estate Services, the Director of Legal Services, and the Managing Director of Social Policy and Projects:

- i) Term and Renewal Options: Initial term of Ten (10) years, with two (2) renewal options each for a further period of five (5) years.
  - ii) Total Rent: Nominal Rent of Ten Dollars (\$10.00) for the term or any renewal term, payable in advance, plus applicable sales taxes.
- D. THAT Council authorize the Director of Real Estate Services to negotiate and, upon the City obtaining ownership of the air space parcel containing the Family Place Facility, to execute a lease agreement with MOFPS for the Family Place Facility (the "MOFPS Lease") on the following basic terms and on terms and conditions consistent with the Term Sheet attached hereto as Appendix B, and otherwise satisfactory to the Director of Real Estate Services, the Director of Legal Services, and the Managing Director of Social Policy and Projects:
  - i) Term and Renewal Options: Initial term of Five (5) years, with two (2) renewal options each for a further period of five (5) years.
  - ii) Total Rent: Nominal Rent of Ten Dollars (\$10.00) for the term or any renewal term, payable in advance, plus applicable sales taxes.
- E. THAT no legal rights or obligations will arise or be created by Council's adoption of Recommendations C or D unless and until all legal documentation has been executed and delivered by the respective parties.

Recommendations C and D authorize grants and require eight affirmative votes of Council for approval.

### **REPORT SUMMARY**

This report seeks Council approval to appoint two separate non-profit operators and to authorize their respective general lease terms to lease and program two City-owned facilities.

With a 50% population increase expected in Marpole by 2041, this is a growing neighbourhood with a high demand for social programs to serve its diverse residents. Compared to citywide, Marpole is a higher-needs community: there is a larger percentage of renters, lone-parent families, children in low-income families, and immigrants, yet lacks the appropriate facilities to support non-profits in providing services to meet the needs of the community.

Staff are recommending two organizations, with accompanying lease terms, to ensure that key social services are available in the neighbourhood. The Association of Neighbourhood Houses of British Columbia ("ANHBC") is the recommended non-profit tenant for 1305 West 70<sup>th</sup> Avenue (the facility is referred to henceforth as "Marpole Place"); ANHBC will program the space as a satellite facility for South Vancouver Neighbourhood House, one of their member associations. The Marpole Oakridge Family Place Society ("MOFPS") is the recommended non-profit tenant for a future City-owned air space parcel to be located at 8188 Lord Street (the facility is referred to henceforth as the "Family Place Facility").

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

- Healthy City Strategy (2014)
- Marpole Community Plan (2014)
- Financing Growth policy (Community Amenity Contributions) (January 1990; amended February 12, 2004)
- Council approved Community Amenity Contributions on January 21, 2014 for the Family Place Facility from three rezonings:
  - 8175 Cambie Street;
  - 519 Southwest Marine Drive;
  - 8180-8192 Lord Street.

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

The General Manager of Community Services recommends approval of Recommendations A through E.

### ***REPORT***

#### ***Background/Context***

Marpole is home to culturally, socio-economically, and age-diverse residents, including a diversity of low-income households, seniors, newcomers, and renters. All of these residents enrich the community's character, but are also considered more vulnerable groups. These community members strongly benefit from access to social programs, yet Marpole is home to deficient, aging, and undersized community facilities.

Marpole Place is a valued community asset; it is a 17,000 square feet 90-year old City-owned "Class B" heritage building. In December 2013, Marpole Place experienced a flood that damaged the building's electrical system, fire system, and the interior, rendering the facility unfit for use. At that time, Marpole Oakridge Area Council Society (MOACS) was the head lessee and provided social programs from Marpole Place for seniors, people with disabilities, youth, and newcomers. For almost 30 years, MOACS was sub-leasing 2,000 square feet of Marpole Place to Marpole Oakridge Family Place Society (MOFPS), an organization that offers low-barrier programs for children and families.

Since the 2013 flood, MOFPS and MOACS were relocated; MOFPS has continued to operate one block away at the Taiwanese Cultural Centre, while MOACS relocated to the nearby St. Augustine's Church until November 2014, when they discontinued their programming due to financial constraints.

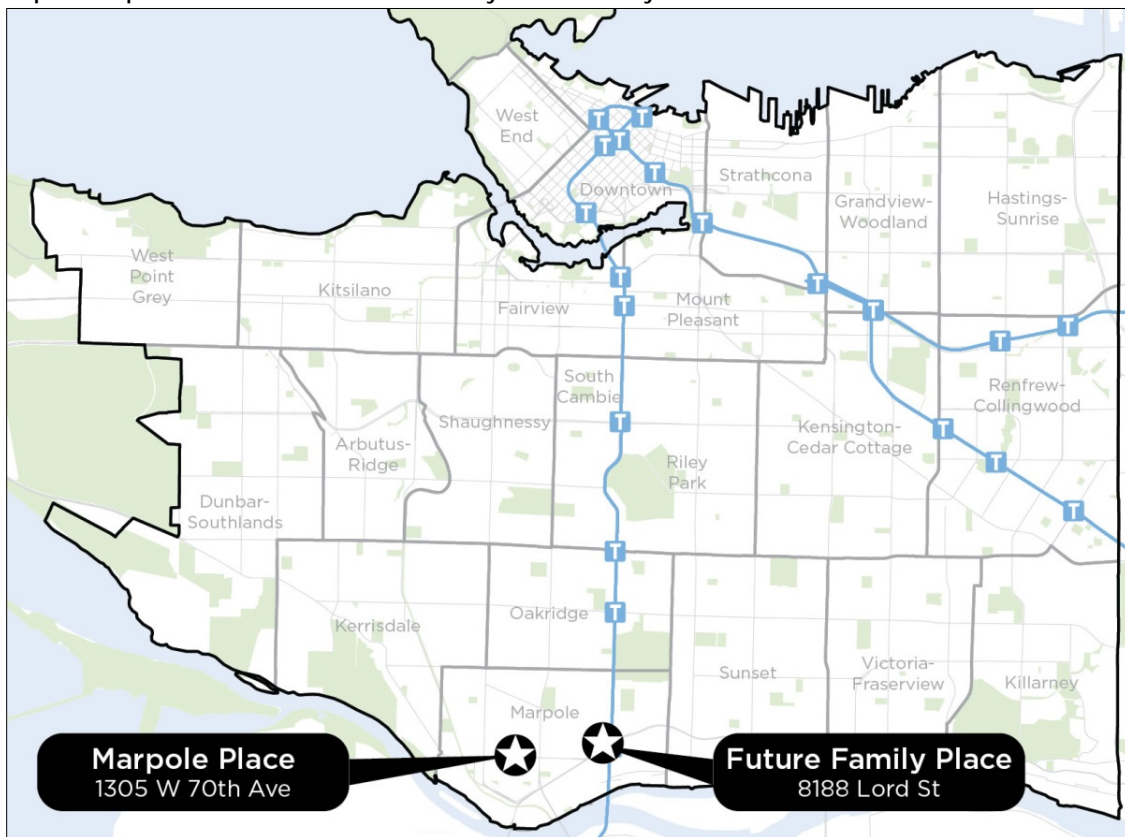
The City has since undertaken renovations and it is expected that by fall of 2018, Marpole Place will be restored to its previous condition, along with additional upgrades, repairs, and replacements to allow the continuation of social programming. This includes renovations and enhancements to the community kitchen, restoration of the small kitchen, energy upgrades to the insulation, upgrades to exterior windows, and replaced fixtures and cupboards where required.

Community members have continued to express strong support to renovate Marpole Place for community use as well as provide adequate space for family place programming. In 2014, Council approved the Marpole Community Plan, which included policy direction for the renewal of Marpole Place and for a new facility for the Family Place Society. These facilities were identified as priority investments in the Plan's Public Benefits Strategy, with target delivery by 2024.

### Strategic Analysis

With a 50% population increase expected in Marpole by 2041, there is an even greater pressure for sufficient and customized social services to better support this growing neighbourhood. As such, staff are recommending the appointment of one non-profit operator for Marpole Place and another non-profit for the future Family Place Facility (see Map 1). Programming for both non-profits will be sustained through fundraising combined with City and other grants.

Map 1: Marpole Place and the Future Family Place Facility



#### 1. Appointment of ANHBC to Operate Marpole Place at 1305 West 70<sup>th</sup> Avenue

In April 2016, the City issued a Request for Proposals (RFP) (<http://vancouver.ca/files/cov/marpole-place-notice-seeking-proposals-2016.pdf>) that sought applications from non-profits to program Marpole Place. Following review of these proposals, staff recommend ANHBC as the preferred operator of Marpole Place.

The need for a neighbourhood house and the programs they provide reflect the community feedback during the Marpole Community Plan (2014) process, which identified and prioritized the renewal of Marpole Place as a neighbourhood house facility. Neighbourhood houses are operated by non-profits that provide accessible programs that foster community development, empowerment, and skill building opportunities—all aimed to enhance belonging and inclusion.

Founded in 1894, ANHBC is an umbrella organization representing six out of the ten neighbourhood houses in Vancouver. ANHBC intends to expand the South Vancouver Neighbourhood House programming into Marpole Place as an inclusive hub for community members by providing social services that foster participation, access, and skills development. Services will be accessible to all members of the public, along with neighbourhood-specific programs that better integrate newcomers, immigrants, youth, families, and seniors, and people with disabilities through employment support, food programs, and literacy programs.

Marpole Place is currently in the design stage. Restoration work is expected to begin in mid-2017 with completion for occupancy anticipated for fall of 2018.

*2. Appointment of the Marpole Oakridge Family Place Society to Operate the Family Place Facility at 8188 Lord Street*

Through rezoning negotiations in 2014, the City secured a new and expanded facility for Marpole Oakridge Family Place Society. This Family Place Facility is under construction at 8188 Lord Street with expected completion and occupancy for the fall of 2017. This Family Place Facility will be co-located in the same building that will also contain a City-owned and YMCA operated 37-space childcare facility.

Marpole is a family-oriented community, with a greater percentage of family households than citywide (65% versus 62%). Compared to citywide, Marpole also has a higher percentage of lone-parent families, a higher percentage of children in low-income households, and similar childhood vulnerability scores, creating an important need for the provision of accessible programs for families.

MOFPS has supported parents, grandparents, caregivers and young children for 40 years with programs that are affordable, accessible and reduce barriers of integration. This includes parent education and support and early childhood development – all aimed at offsetting the shortage of affordable and accessible early childhood development programs in the area.

Due to high community demands, MOFPS had long outgrown their sub-leased space in Marpole Place. Since 2009, City staff have worked closely with MOFPS and the community to identify facility needs to better accommodate MOFPS. Policy directions in the Marpole Community Plan (2014) have reinforced a strong level of support for a new and expanded family place. Subsequent development opportunities provided the City with funding towards the construction of a new 4,500 square foot Family Place Facility.

### *General Lease Terms*

Staff have worked with each non-profit to develop their respective lease terms.

#### *Lease to ANHBC for Marpole Place*

Should Council approve Recommendation C, staff recommend that the City and ANHBC enter into a lease for Marpole Place, for an initial ten (10) year term with two further five (5) year renewal options for a total of twenty (20) years, at a nominal total rent of ten dollars (\$10.00) per term, and on terms essentially as provided for in the Form of Agreement and Service Level Agreement included with the RFP. Refer to Appendix A "Association of Neighbourhood Houses of BC - Service Level Agreement for Marpole Place."

#### *Lease to MOFPS for the Family Place Facility*

Should Council approve Recommendation D, staff propose that the City and MOFPS enter into a lease for the Family Place Facility at 8188 Lord Street for an initial five (5) year term with two further five (5) year renewal options for a total of fifteen (15) years, at a nominal total rent of ten dollars (\$10.00) per term. At the time of rezoning, Council approved \$550,000 as a facility capital maintenance reserve to be put towards capital maintenance expenses in future years. As such, the term sheet and accompanying Service Level Agreement reflect this. Please refer to Appendix B for "Marpole Oakridge Family Place Society Term Sheet" and Appendix C for "Marpole Oakridge Family Place Society - Service Level Agreement for the Future Family Place Facility at 8188 Lord Street."

For both facilities, the City's lease requires the non-profit organizations to deliver public benefits and social services to advance City priorities. The operator will be responsible for all expenses related to utilities, communications (including internet, cable, and phone), security systems, minor maintenance, janitorial, liability and contents insurance, and program operating and service delivery costs. For MOFPS, the Facility Reserve will pay for the common area costs associated with some of these items. Responsibilities are further defined in the Service Level Agreement (SLA).

The City will retain responsibility for the base building systems maintenance, major capital maintenance and upgrades, building envelope and all structural elements for each of the facilities. The responsibilities of the City and each of the non-profits for each facility's maintenance, repair and replacement, as well as the proportionate share of the development-wide common costs in the case of the Family Place Facility, will be further detailed in each respective finalized Service Level Agreement which will be attached as a schedule to and form part of the respective leases to each society.

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

#### *Financial*

##### *Lease to ANHBC for Marpole Place*

*Total Rent* - Marpole Place will be leased to ANHBC at a nominal total rent of ten dollars (\$10.00) for the initial ten (10) year term, with two (2) renewal options each for a further five (5) year term at the same nominal rate. The current comparable market rental value for Marpole Place over the initial ten year term of the lease (based on 11,565 square feet of net leasable above-grade area) is estimated at approximately \$2,327,000.

Should Council approve Recommendation C, the nominal rent lease to ANHBC represents a grant in the above-noted amount for the initial ten year lease term.

*Lease to MOFPS for the Family Place Facility*

*Total Rent* - The Family Place Facility will be leased to MOFPS at a nominal total rent of ten dollars (\$10.00) for the initial five year term, with two (2) renewal options each for a further five (5) year term at the same nominal rate. The current comparable market rental value for the Family Place Facility over the initial five year term of the lease (based on 4,500 square feet of net leasable above-grade area) is estimated at approximately \$665,000.

Should Council approve Recommendation D, the nominal rent lease to MOFPS represents a grant in the above-noted amount for the initial five year lease term.

**CONCLUSION**

This report seeks Council authority to enter into two separate nominal lease agreements. One lease is with the Association of Neighbourhood Houses of British Columbia as the operator of the renewed Marpole Place, and the other lease with the Marpole Oakridge Family Place Society as the operator of the future Family Place Facility, on the terms and conditions within this report. The nominal rent for each lease is considered a form of rental subsidy as deemed appropriate based on the level of City support of social non-profit organizations in City facilities. Both non-profit organizations will deliver important community programs from two City facilities.

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Appendix A: Association of Neighbourhood Houses of BC - Service Level Agreement for Marpole Place

SERVICE LEVEL AGREEMENT

Marpole Place Social Facility

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

Social Facility Operator City of Vancouver	NPO CoV
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Generally, the City of Vancouver will pay for the maintenance of the base building systems serving the leased premises that relate to building systems and structures. The tenant will be responsible for repairs and maintenance of the building systems within the leased premises, including janitorial, utilities, pest control, and security services.

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
1.1	Base Building Heating, Ventilation and Air Conditioning		
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
2.1	Base Building Plumbing Systems		
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



Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
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	- maintenance and replacement of sump pumps	CoV	CoV
3.1	Mechanical Systems (including 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 occupant	NPO	NPO
4.1	Fire Protection & Suppression		
a	- monthly inspection of fire extinguishers and smoke detectors within the premises	NPO	NPO
b	- annual inspection of fire extinguishers and smoke detectors within the premises	CoV	NPO
c	- repairs/recharging of fire extinguishers within premises	CoV	NPO
d	- life cycle replacement of fire extinguishers within premises	CoV	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
e	annual inspection, maintenance and repairs of the fire alarm system	CoV	CoV
f	annual inspection of fire sprinkler system; maintenance, repairs and life-cycle replacement	CoV	CoV
5.1	Security Systems		
a	- system monitoring, inspection, maintenance and repair	NPO	NPO
b	- life cycle replacement	NPO	NPO
c	- repair, replacement, re-keying of all locks and fobs	NPO	NPO
6.1	Electrical Distribution Systems		
a	- repairs and upgrades required by Code	NPO	NPO
b	- inspection, maintenance and repair of wiring, breakers and electrical panels	COV	NPO
c	- life cycle replacement of wiring, breakers and panels	COV	COV
d	- repair or replacement of switches, receptacles, cover plates	NPO	NPO
7.1	Lighting Systems		
a	- bulb/tube replacement for interior lighting	NPO	NPO
b	- interior lighting ballast replacement	NPO	NPO
c	- annual inspection and maintenance of interior emergency/exit lighting	CoV	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
d	- life cycle replacement of interior fixtures and emergency/exit lighting	CoV	NPO
e	- maintenance and repair of exterior lighting	NPO	NPO
f	- life cycle replacement of exterior lighting	CoV	NPO
g	- cleaning of interior light fixtures	NPO	NPO
h	- provision, maintenance, repair and replacement of portable lighting fixtures	NPO	NPO
8.1	Interior Windows		
a	- breakage and replacement of interior windows, caused by the occupant or operations	NPO	NPO
b	- routine repairs and cleaning of interior windows	NPO	NPO
c	- replacement due to normal wear and tear	NPO	NPO
8.2	Exterior Windows		
a	- breakage, routine repairs and replacement of exterior windows or canopy, not caused by the occupant or operations	CoV	CoV
b	- breakage, routine repairs 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

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
d	-cleaning of exterior surfaces of exterior windows	CoV	NPO
e	- life cycle replacement of the exterior windows	CoV	CoV
9.1	Interior and Exterior Doors		
a	- maintenance and repair of interior doors	NPO	NPO
b	- life cycle replacement of interior doors	NPO	NPO
c	- maintenance and repair of exterior doors	CoV	CoV
d	- life cycle replacement of exterior doors	CoV	CoV
10.1	Interior Surfaces		
a	- interior life cycle repainting	NPO	NPO
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	NPO	NPO
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 flooring coverings	NPO	NPO
h	- maintenance and repair of millwork	NPO	NPO
i	- life cycle replacement of millwork	NPO	NPO
11.1	Major Structural Systems		
a	- maintenance and repairs of foundations, flooring sub-structure, building envelope including bearing walls, glass canopy/awning and roofing, and parking lots due to damage related to the tenancy	CoV	NPO
b	- repairs or replacements of foundations, flooring sub-structure, building envelope including bearing walls, roofing and parkade	CoV	CoV
c	- repairs and painting of exterior surfaces including windows, trim, fascia and soffits	CoV	CoV
d	- exterior life-cycle repainting	CoV	CoV
e	-cleaning of eaves troughs and gutters	NPO	NPO
f	- cleaning of roof drains and roof areas	CoV	CoV
12.1	Site Services		
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	- snow and ice removal from entrance to parking areas	NPO	NPO
d	-graffiti removal	CoV	NPO

<b>Item</b>	<b>Description</b>	<b>Party to Perform the Work</b>	<b>Party Responsible to Pay for Work</b>
e	- landscaping repairs and maintenance	NPO	NPO
f	- grass cutting	NPO	NPO
g	- general cleaning of grounds, litter disposal	NPO	NPO
h	- repairs of water and sewage systems (beyond the building perimeter), unless deemed to be caused by the Tenant	CoV	CoV
i	- maintenance, repair and replacement of gates and fences	CoV	CoV
j	- maintenance and repair of parking and loading areas	CoV	CoV
<b>13.1</b>	<b>Interior Signage</b>		
a	- maintenance, repair and replacement of interior signage	NPO	NPO
<b>13.2</b>	<b>Exterior Signage</b>		
a	- maintenance, repair, and replacement (subject to prior approval of the CoV and Dev/Strata)	NPO	NPO
<b>14.1</b>	<b>Play Area and Equipment</b>	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
15.1	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
16.1	Appliances, Program and Other Non-Installed Equipment		
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
17.1	Renovations and Upgrades within the leased premises		
a	- any upgrades, additions, enhancements or improvements beyond what was originally provided during construction (subject to prior approval by and CoV)	NPO	NPO
18.1	Utilities		
a	- electricity	NPO	NPO
b	- gas	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
c	- water and sewer	NPO	NPO
d	- all other municipal utilities charges which appear on the property tax notice	NPO	NPO
19.1	Business Operations		
a	- staff costs	NPO	NPO
b	- telephone, internet & cable services	NPO	NPO
c	- insurance (CGL, business interruption, contents, TLL 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.



Appendix B: Marpole Oakridge Family Place Society Term Sheet

**BASIC LEASE TERMS FOR THE MULTI-PURPOSE FACILITY (the "Family Place Facility")**  
**AT**  
**8188 Lord St (the "Premises")**  
**BETWEEN**  
**THE CITY OF VANCOUVER (the "Landlord")**  
**AND**  
**MARPOLE OAKRIDGE FAMILY PLACE SOCIETY (the "Tenant")**

**Term and Renewal Options** - Initial term of five (5) years, commencing on \_\_\_\_\_, 2017. Two (2) renewal options, each for a further term of five (5) years.

**Gross Floor Area** - approximately 4,500 square feet indoor floor area (plus 984 square feet adjacent outdoor area).

**Parking** - 22 below-grade parking stalls.

**Total Rent** - Nominal rent of Ten (\$10.00) dollars for the term or any renewal term, payable in advance, plus applicable taxes.

**Property Taxes, if any** - Subject to City Council approval, the Tenant will not be required to pay real property taxes.

**Additional Rent** - All amounts payable by the Tenant other than total rent will be treated as Additional Rent.

**Directly Metered Utilities** - The Tenant shall be responsible for all costs and obligations associated with directly metered utilities serving the Premises. In the event the Premises is not separately metered for any utilities serving the Premises, the costs for such utilities shall be the responsibility of the Tenant, as reasonably apportioned on a proportionate share basis with the operator of the childcare facility located within the same building as the Family Place facility, in accordance with the Service Level Agreement to be attached to and forming part of the lease.

**Municipal Utility Charges** - All Municipal Utility Charges serving the Premises are payable by the Tenant.

**Operating Costs and Shared Building Costs (CAM)** - All costs and obligations related to the operating expenses for the Premises and shared building expenses (common area maintenance) which will be the responsibility of the Tenant, as reasonably apportioned on a proportionate share basis with the operator of the childcare facility located within the same building as the Family Place Facility, shall be in accordance with the Service Level Agreement to be attached to and forming part of the lease.

**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 will be the responsibility of the Tenant shall be in accordance with the Service Level Agreement to be attached to and forming part of the lease.

**Capital/Life Cycle Replacement Costs** - The responsibility for all capital/life cycle replacement costs associated with the Premises will be as set out in the 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. In general, the City will be responsible for capital life-cycle replacement of and major repairs to the base building systems (such as mechanical, electrical, plumbing, etc), and structural components, such as foundations, flooring sub-structure, building envelope and roof, of the Premises.

**Tenant Improvements** - All costs associated with leasehold improvements including finishing, fixturing, furnishing and equipment beyond those provided at the beginning of the tenancy shall be the responsibility of the Tenant.

**Insurance** - The Tenant shall be responsible for maintaining commercial general liability insurance and all risk (broad form) tenant's legal liability insurance, as well as insuring all leasehold improvements, equipment, fixtures and furniture, all in the amounts and types to the satisfaction of the City. The Landlord (City) shall be named as additional insured.

The Landlord or the Remainder Owner, as applicable, shall be responsible for insuring the building against fire and certain other perils, as shall be provided for in a reciprocal easement agreement which is to be registered on title to the lands upon air space parcel subdivision.

**Use of Premises** - The Premises shall be used in accordance with that permitted by the applicable zoning for the Premises, being the CD-1 (577) zoning by-law. The Premises shall be used for the purpose of operating a family place facility which may include, without limitation, office, classroom and ancillary support spaces including board/meeting/education rooms, reference/research, and other support activities including spaces to serve the public.

**Public Service Objectives** - The Tenant non-profit operator shall operate the Premises for the benefit of residents of Vancouver and the advancement of social services and social programs for children and families in Vancouver. The Tenant operator will be asked to articulate and follow a set of *public service objectives* including minimum hours of operation, type and range of services, and availability for community and public use (meeting/board or other such spaces appropriate for public use).

**Delivery of Facility Profile to the Landlord by the Tenant** - The Tenant shall deliver annually to the Landlord's Managing Director of Social Policy and Projects, in a form and content acceptable to the Landlord, the following:

- (a) financial statements of the Tenant approved by the directors of the Tenant for the previous year of the Term prepared at the Tenant's expense by an accounting professional. Such statements shall include at a minimum all operating, capital, maintenance reserve and special purpose funds and shall itemize administrative and program costs all of which must have first been approved by the directors of the Tenant;
- (b) a balanced annual budget (including an estimate of all revenues and expenditures as well as an adequate maintenance reserve sufficient to meet its obligations in this Lease) in a form acceptable to the City, which must have first been approved by the directors of the Tenant;

- (c) a summary of activities for the past year demonstrating how the Tenant has fulfilled the Tenant's Mandate and Public Service Objectives;
- (d) a summary of activities planned for the coming year of the Term;
- (e) a current list of directors and officers including their names, addresses and telephone numbers, to the extent permitted by law; and
- (f) the name of the key or main contact person for the Tenant.

**Third Party Use** - Other than as provided for herein the lease will include a clause that restricts the Tenants' right to assign, sublet, grant a mortgage or license to another party without advance written permission by the Landlord. The Tenant will be permitted to licence all or part of the Premises to other third parties for occasional use in accordance with an Occasional Third Party Use Policy that will form part of the lease.

**Subleasing** - The Tenant shall not be permitted to sublease the Premises or any portion thereof without the prior written consent of the Landlord, which consent the Landlord may unreasonably withhold.

**Naming Rights** - The Tenant shall follow the City's Naming Rights policy including potential restrictions on the right to name the Premises (including any portion of the Premises) or the building in which the Premises are situated.

**Termination** - Upon demolition or destruction of the building or expiring of the term.

**Early Termination by Landlord** - The Landlord may terminate the lease if:

- (a) The Tenant has failed to comply with Section 3.01 of the lease, "*Delivery of Facility Profile to the Landlord by the Tenant*", within thirty (30) business days of a notice in writing from the Landlord that it is in breach of Section 3.01; or
- (b) With the Tenant's consent.

**Early Termination by Tenant** - The Tenant may terminate the lease upon 3 months written notice if it intends to or has ceased to use the Premises for the Permitted Use.

**Additional Lease Terms and Operating Covenants** - All additional terms and conditions and any variations of the foregoing as required by the Director of Legal Services in consultation with the Managing Director of Social Policy and Projects and the Director of Real Estate Services.

Appendix C: Marpole Oakridge Family Place Society - Service Level Agreement for the Future Family Place Facility at 8188 Lord Street

SERVICE LEVEL AGREEMENT  
Marpole Oakridge Family Place Society

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

Family Place:	NPO
Childcare Operator:	other NPO
City of Vancouver	CoV
Developer, Strata, Remainder	other ASP

For the purpose of this agreement, this Service Level Agreement (the "SLA") is intended to reflect the proposed delineation of repair, maintenance and replacement responsibilities between the parties as currently anticipated. The City reserves the right to revise the SLA as necessary and deemed appropriate.

"Leased Premises" refers to the indoor area and dedicated outdoor area exclusive to Marpole Oakridge Family Place Society

"City's ASP" refers to the areas defined by the air space parcel subdivision plan

"Development" refers to the land and infrastructure dedicated to all parties

"Proportionate Share" refers to a percentage calculation based on indoor square footage

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

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
e	- life cycle replacement (Capital Maintenance)	CoV	CoV
1.2	Common Heating, Ventilation and Air Conditioning (systems serving more than the Leased Premises)		
a	- annual inspection, maintenance and repair within and serving the City's ASP	CoV	CoV
b	- annual inspection, maintenance and repair within and serving the Development	Other ASP	Other ASP/ COV Proportionate share
c	- life cycle replacement within and serving the City's ASP	CoV	CoV
d	- life cycle replacement within and serving the Development	Other ASP	Other ASP/ COV Proportionate share
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

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
2.2	Common Plumbing Systems (systems serving more than the Leased Premises)		
a	- annual inspection, maintenance and repair within and serving the City's ASP	CoV	CoV
b	- annual inspection, maintenance and repair within and serving the Development	other ASP	Other ASP/ COV Proportionate share
c	- life cycle replacement within and serving the City's ASP	CoV	CoV
d	- life cycle replacement within and serving the Development	other ASP	Other ASP/ COV Proportionate share
3.1	Mechanical Systems and Equipment (including elevators) exclusive to or within the Leased Premises (excluding common systems/equipment)		
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 including the elevator within the City's ASP)		
a	- annual inspection, maintenance and repair within and serving the City's ASP	CoV	CoV
b	- annual inspection, maintenance and repair within and serving the Development	other ASP	Other ASP/ COV Proportionate share

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
c	- life cycle replacement within and serving the City's ASP	CoV	CoV
d	- life cycle replacement within and serving the Development	other ASP	Other ASP/ COV Proportionate share
4.1	Fire Protection & Suppression exclusive to the Leased Premises		
a	- <u>Fire extinguishers</u> : monthly inspection;	NPO	NPO
b	- <u>Fire extinguishers</u> : annual inspection; repairs, recharging, and life-cycle replacement	NPO	NPO
c	- <u>Smoke detectors</u> : monthly inspection	CoV	CoV
d	- <u>Smoke detectors</u> : annual inspection and repairs	CoV	CoV
e	- <u>Smoke detectors</u> : life-cycle replacement	CoV	CoV
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

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
4.2	Common Fire Protection & Suppression (systems serving more than the Leased Premises)		
a	- highrise smoke control systems	N/A	N/A
b	- maintenance, repair and lifecycle replacement of fire protection equipment and life safety systems and related devices (ie. alarms, fire pump and standpipe systems, emergency power and lighting, etc) within and serving the City's ASP	CoV	CoV
c	- maintenance, repair and lifecycle replacement of fire protection equipment and life safety systems and related devices (ie. alarms, fire pump and standpipe systems, emergency power and lighting, etc) within and serving the Development	other ASP	Other ASP/ COV Proportionate share
5.1	Security Systems dedicated to or within the leased premises		
a	- system monitoring, inspection, maintenance and repair	NPO	NPO/other NPO (Proportionate Share)
b	- repair, replacement, re-keying of all locks	NPO	NPO
c	- life cycle replacement	NPO	NPO/other NPO (Proportionate Share)
5.1	Common Security Systems (systems serving more than the Leased Premises)		



Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
a	- system monitoring, inspection, maintenance and repair within and serving the City's ASP	NPO/ other NPO	NPO/other NPO (Proportionate Share)
b	- system monitoring, inspection, maintenance and repair within and serving the Development	other ASP	Other ASP/ NPO/other NPO Proportionate share
c	- life cycle replacement within and serving the City's ASP	NPO/ other NPO	NPO/other NPO (Proportionate Share)
d	- life cycle replacement within and serving the Development	other ASP	Other ASP/ NPO/other NPO Proportionate share
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 within and serving the City's ASP	CoV/other ASP	CoV
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	other ASP	Other ASP/ COV Proportionate share
b	- inspection, maintenance and repair of electrical distribution systems within and serving the City's ASP	CoV	CoV
c	- inspection, maintenance and repair of electrical distribution systems within and serving the Development	other ASP	Other ASP/ COV Proportionate share
d	- life cycle replacement of electrical distribution systems within and serving the City's ASP	CoV/other ASP	CoV
e	- life cycle replacement of electrical distribution systems within and serving the Development	other ASP	Other ASP/ COV Proportionate share
7.1	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	NPO
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

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
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
h	- provision, maintenance, repair and replacement of portable lighting fixtures	NPO	NPO
7.2	Common Lighting Systems (systems serving more than the Leased Premises)		
a	- inspection, maintenance and repair within the City's ASP	CoV	CoV
b	- inspection, maintenance and repair within the Development	other ASP	Other ASP/ NPO/other NPO Proportionate share
c	-cleaning within the City's ASP	NPO/other NPO	NPO/other NPO (Proportionate Share)
d	- cleaning within the Development	other ASP	Other ASP/ NPO/other NPO Proportionate share
e	- life cycle replacement within the City's ASP	CoV	CoV
f	- life cycle replacement within the Development	other ASP	Other ASP/ CoV Proportionate share
g	- annual inspection and maintenance of interior emergency/exit lighting within and serving the City's ASP	CoV	NPO/other NPO Proportionate share
h	- annual inspection and maintenance of interior emergency/exit lighting within and serving the Development	other ASP	Other ASP/ NPO/other NPO Proportionate share

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
i	- life cycle replacement of interior fixtures and emergency/exit lighting within and serving the City's ASP	CoV	CoV
j	- life cycle replacement of interior fixtures and emergency/exit lighting within and serving the Development	other ASP	Other ASP/ CoV Proportionate share
8.1	Interior Windows within the Leased Premises		
a	- breakage, routine repair and cleaning of interior windows	NPO	NPO
b	- replacement due to normal wear and tear	CoV	CoV
8.2	Exterior Windows of the Leased Premises		
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, 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	NPO/other NPO	NPO/other NPO (Proportionate Share)

<b>Item</b>	<b>Description</b>	<b>Party to Perform the Work</b>	<b>Party Responsible to Pay for Work</b>
8.3	Common Area Windows within the City's ASP		
a	- breakage and repair (not caused by occupants or operations)	CoV	CoV
b	- breakage and repair (caused by occupants or operations)	NPO/other NPO	NPO/other NPO (Proportionate Share)
c	- cleaning (of interior and exterior surfaces)	NPO/other NPO	NPO/other NPO (Proportionate Share)
d	- life cycle replacement	CoV	CoV
8.4	Interior Doors of the Leased Premises		
a	- maintenance and repair, including hardware	NPO	NPO
b	- life cycle replacement, including hardware	CoV	CoV
8.5	Exterior Doors of the Leased Premises		
a	- maintenance and repair, including hardware	CoV	CoV
b	- life cycle replacement, including hardware	CoV	CoV
8.6	Common Area Doors within the City's ASP		
a	- maintenance and repair	CoV	CoV
b	- life cycle replacement	CoV	CoV

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
9.1	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
g	- life cycle replacement of floor coverings	NPO	NPO
h	- maintenance and repair of millwork	NPO	NPO
i	replacement of millwork	NPO	NPO
9.2	Common Area Interior Surfaces within the City's ASP		
a	- all maintenance and repairs	NPO/other NPO	NPO/other NPO (Proportionate Share)

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
b	- all capital maintenance or replacements	CoV	CoV
10.1	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/ other 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
d	- exterior life-cycle repainting	CoV	CoV
e	-cleaning of eaves troughs, gutters and awning	NPO/ other NPO	NPO/other NPO (Proportionate Share)
10.2	Major Structural Systems within the City's ASP		
a	- all repairs and replacements	CoV	CoV
11.1	Site Services within the Leased Premises		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
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
11.2	Common Site Services outside of the Leased Premises (serving or within the City's ASP)		
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)
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



Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
i	- maintenance and repair of parking areas for the Leased Premises	CoV/other ASP	CoV/other ASP
j	- graffiti removal	CoV	CoV
12.1	Interior Signage (within the Leased Premises)		
a	- maintenance, repair and replacement	NPO	NPO
12.2	Common Interior Signage (within or serving the City's ASP)		
a	- maintenance, repair and replacement	NPO/other NPO	NPO/other NPO (Proportionate Share)
12.3	Exterior 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
12.4	Common/ shared signage exterior to the Leased Premises (serving or within the City's ASP)		
a	- maintenance, repair and replacement (subject to prior approval of CoV)	NPO/other NPO	NPO/other NPO (Proportionate Share)
13.1	Play Area and Equipment within the Leased Premises		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
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
14.1	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
14.2	Common Area Janitorial Services (outside of the Leased Premises within and serving the City's ASP)		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
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)
15.1	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
16.1	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
17.1	Utilities		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
a	- electricity	NPO	NPO/ other NPO (Proportionate Share)
b	- gas	NPO	NPO/ other NPO
c	- water and sewer	NPO	NPO/ other NPO
d	-neighbourhood energy utility (NEU)	other ASP	NPO/ other NPO
e	- all other municipal utilities charges which appear on the property tax notice	CoV/NPO	NPO/ other NPO
18.1	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.